

24 November 2021**Interim financial report for 1 January – 30 September 2021 for FirstFarms A/S****Satisfactory Q3 points to historic 2021 result**

The prices of crops have affected FirstFarms A/S' result in the first 3 quarters of 2021 positively, as FirstFarms annually is a large net seller of crops. At the same time, FirstFarms has resisted the low pig prices, as this operation is one in four and therefore the company is not dependent on good prices for pigs. As a result, FirstFarms is presenting a satisfactory result in a very troubled market and announces that the company still expects a historically good result for 2021.

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 2021.

FirstFarms has in the accounting period realised:

- A turnover of 248 mDKK
- An EBITDA of 74 mDKK (compared to 73 mDKK in 2020)
- An EBIT of 44 mDKK
- A pre-tax result of 24 mDKK

The high crop prices have entailed a significantly improved revenue in the crop production. FirstFarms has recognised a value adjustment on harvested crops of 22 mDKK as of 30 September 2021 compared to 4 mDKK for the same period last year, thus recognised 18 mDKK more compared to last year. Another positive fact is that this year the company has had a normal yield in Romania, compared to a low yield in 2020 due to drought.

Conversely, FirstFarms has experienced a significant decrease in the sales price of pigs like the rest of the global market. The turnover on pigs is 33 mDKK lower compared to the same period last year, but the production and the efficiency are still at a high level, as in the past. The net effect of pig production compared to last year is negative with 16 mDKK.

"Our turnover, earnings and risk are divided into four branches. Therefore, the record crop prices more than offset the very low pig prices, and we can primarily perform a good result for the first three quarters of the year. We operate in an exceptionally unpredictable market, which is why I am also proud that, despite the challenges, we will probably deliver another record result at the end of the year," says CEO Anders H. Nørgaard and continues:

"We are not blind to the fact that our operations affect climate and nature. At FirstFarms, we therefore take responsibility for everything we do and continuously take initiatives that take us in an increasingly sustainable direction. Among other things, we focus on data collection and data processing, to reduce our CARBON footprint at all times. We also investigate opportunities for new energy-friendly solutions when we build new or renovate. I need to make it clear that the work towards more sustainability will progress going forward.

Operation branches

- The milk price has been on par with the budgeted, whereas efficiency and production has been better than expected, and better than the same period last year.
- The prices for piglets and slaughter pigs have increased during first half year, but they have decreased back to the same historical low level from the start of the year. The stock value is on par with the start of the year against -17 mDKK in the same period last year.
- The harvest of crops has all in all been better than budgeted and significantly above 2020, with historical high prices, which is why the crop production has contributed significantly to the result of the year. A significant part of the result in the crop production is generated in the last quarter, where sold crops are delivered.
- The land has given a very satisfactory return based on yields and sale of developed land portfolio in West Romania (company announcement no. 1/2021 and 19/2021)

FirstFarms maintains the expectations to 2021:

- An EBITDA in the level of 100-120 mDKK
- An EBIT of 50-70 mDKK

In 2020, an EBITDA of 100 mDKK and EBIT of 54 mDKK was realised, which was also historically good.

"FirstFarms' journey of growth continues. We continue to develop and operate agriculture with respect for the surrounding communities, and we will continue to deliver products of the highest quality, which are primarily sold and consumed locally. Last but not least, we continue to develop towards more sustainable agriculture while executing on new opportunities that also create value for our investors and the consumers," says Anders H. Nørgaard.

Best regards,
FirstFarms A/S

For further information:

Please visit our website www.firstfarms.com or contact CEO Anders H. Nørgaard on telephone +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.

Main and key ratios

tDKK	The Group Q1-Q3 2021	The Group Q1-Q3 2020	The Group Q3 2021	The Group Q3 2020	The Group 2020
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Main figures

Turnover	247,936	220,977	104,552	69,132	312,616
Gross profit/loss	57,290	33,788	11,574	2,759	24,916
Profit/loss before depreciations (EBITDA)	73,982	72,838	18,723	7,439	100,204
Profit/loss of primary operations (EBIT)	43,538	36,102	7,627	-3,657	54,240
Net financial items	-19,355	-18,361	-8,758	-7,435	-22,838
Pre-tax result	24,183	17,741	-1,131	-11,092	31,402
Net profit	16,485	15,760	-2,303	-10,132	24,794

Non-current assets	950,691	968,518	950,691	968,518	954,069
Current assets	246,991	235,757	246,991	235,757	187,886
Total assets	1,197,682	1,204,275	1,197,682	1,204,275	1,141,955
Share capital	78,610	75,666	78,610	75,666	75,666
Equity	510,615	479,655	510,615	479,655	483,477
Non-current liabilities	461,507	482,153	461,507	482,153	461,134
Current liabilities	225,560	242,467	225,560	242,467	197,344

Cash flow from primary operations	21,180	57,086	-23,665	12,241	79,572
Cash flow from operations	608	36,935	-31,521	4,806	47,172
Cash flow for investment, net	-21,772	-35,496	6,663	-7,061	-13,217
Of which for investment in tangible assets	-27,663	-40,794	5,116	-8,015	-93,561
Cash flow from financing	16,698	4,524	16,482	4,308	-29,259
Total cash flow	-4,466	5,963	-8,376	2,053	4,696

Key figures

Gross margin	23.1	15.3	11.1	4.0	7.9
EBITDA margin	29.8	33.0	17.9	10.8	32.1
Operating margin	17.6	16.3	7.3	-5.3	17.4
Solvency ratio	42.6	40.0	42.6	40	42.0
Earnings per share, DKK	2.1	2.08	-0.3	-1.34	3.6
Diluted earnings per share, DKK	2.1	2.06	-0.1	-0.85	3.4
Return on shareholders' equity	4.4	4.8	-1.9	-8.4	5.7

Average number of employees	311	317	314	315	334
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EBITDA = EBIT added depreciations of the period.

Management report for the period 1 January – 30 September 2021

FirstFarms has in the accounting period realised a turnover of 248 mDKK, an EBITDA of 74 mDKK, an EBIT of 44 mDKK and pre-tax result of 24 mDKK.

EBITDA and EBIT have improved by 1 mDKK and 7 mDKK, respectively compared to same period last year.

In the first 3 quarters, the equity is increased by 27 mDKK, in consequence of conversion of bonds of 12 mDKK, a result of 17 mDKK, an exchange rate adjustment of 3 mDKK, adjustment of hedging instrument of 1 mDKK and payment of dividend of 6 mDKK.

In the first 3 quarters, the milk price has been on par with budgeted, while efficiency and production have been better than expected.

Prices for piglets and slaughter pigs have on average been lower than budgeted in the first three quarters and are at the end of the year back on par with the start of the year and below the budgeted level.

The harvest is completed by both autumn and spring crops. Overall, the result has been higher than budgeted, while prices have been very favourable.

The sale of activities in Western Romania with the remaining 265 hectares is expected to be completed over the next 5 months (company announcement no. 19/2021).

The operation and sales have to a minor extent been affected by consequences of COVID-19 or restrictions hereof.

Risk assessment

FirstFarms has in the annual report for 2020 described the most essential risks for the company, and it is the management's opinion that this description is still adequate. The annual report and the risk assessment can be found on the company's website www.firstfarms.com.

Accounting policies

The interim financial report is prepared in accordance with IAS 34 "Presentation of interim financial reports" as adopted by the EU and Danish disclosure requirements for listed companies.

Accounting policies are unchanged compared to the consolidated financial statement and annual report for 2020, to which is referred.

Expectations for 2021

FirstFarms maintains the announced expectations to 2021; an EBITDA in the level 100-120 mDKK and an EBIT of 50-70 mDKK.

Announced expectations 2021

mDKK	EBITDA	EBIT
25 August 2021 (company announcement no. 15)	100-120	50-70
26 May 2021 (company announcement no. 11)	95-115	45-65
25 March 2021 (company announcement no. 4)	85-115	35-65

Financial calendar for 2022

23 March 2022	Annual report 2021
26 April 2022	Annual general meeting
31 May 2022	Interim financial report 1 January – 31 March 2022
24 August 2022	Interim financial report 1 January – 30 June 2022
23 November 2022	Interim financial report 1 January – 30 September 2022

Management statement

The Management and Board of Directors of FirstFarms have today discussed and approved the interim financial report of FirstFarms A/S for the period 1 January – 30 September 2021.

The interim financial accounts, which has not been audited or reviewed by the independent auditors of the Company, has been prepared in accordance with IAS 34 – “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial accounts give a true and fair view of the Group’s assets, liabilities and financial position at 30 September 2021 and of the results of the Group’s operations and cash flows for the period 1 January – 30 September 2021.

Further, in our opinion the Management’s review gives a true and fair overview of the development in the Group’s operations and financial matters, the results of the Group’s operations and the Group’s financial position as a whole.

Billund, 24 November 2021

Management

Anders H. Nørgaard
CEO

Board of directors

Henrik Hougaard
Chairman

Asbjørn Børsting
Vice Chairman

Jens Bolding Jensen

Karina Boldsen

Bendt Wedell

Income statement

	The Group	The Group	The Group	The Group	The Group
tDKK	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020	2020
Turnover	247,936	220,977	104,552	69,132	312,616
Value adjustment of biological assets	21,714	-10,879	-1,945	-12,730	-25,186
Production costs	-251,466	-214,762	-103,375	-69,856	-315,792
Grants	39,106	38,452	12,342	16,213	52,981
Gross profit/loss	57,290	33,788	11,574	2,759	24,619
Other operating income	6,018	22,733	3,886	2,498	54,857
Administration costs	-19,770	-20,401	-7,833	-8,896	-25,236
Other operating costs	0	-18	0	-18	0
EBIT result	43,538	36,102	7,627	-3,657	54,240
Financial income	551	742	172	616	939
Financial costs	-19,906	-19,103	-8,930	-8,051	-23,777
Pre-tax result	24,183	17,741	-1,131	-11,092	31,402
Tax on net profit	-7,698	-1,981	-1,172	960	-6,608
Net profit	16,485	15,760	-2,303	-10,132	24,794
Earnings per share, DKK	2.10	2.08	-0.30	-1.34	3.57
Diluted earnings per share, DKK	2.10	2.06	-0.07	-0.85	3.36

Total income statement

	The Group	The Group	The Group	The Group	The Group
tDKK	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020	2020
Net profit	16,485	15,760	-2,303	-10,132	24,794
Other total income					
Items, which can be re-classified to the income statement:					
- Exchange rate adjustments by conversion of foreign units					
Hedging instruments	2,768	-1,695	1,470	6,845	-9,112
- Value adjustment of the year					
- Value adjustment reclassified to financial items					
- Tax of other total income	-242	-226	1	261	900
Other total income after tax	-350	188	-80	4	267
Total income	4,086	-3,202	1,770	6,027	-10,120

Balance

	The Group	The Group	The Group
tDKK	Q3 2021	Q3 2020	2020
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	16,083	16,033	16,083
Total intangible assets	16,083	16,033	16,083
Tangible assets			
Land	526,980	541,033	536,744
Buildings	230,947	223,661	227,371
Plant and machinery	86,445	101,813	95,996
Fixtures and fittings, tools and equipment	5,111	5,846	5,682
Fixed assets under construction	38,583	30,016	27,061
Total tangible assets	888,066	902,369	892,854
Biological assets			
Basic herd	41,230	40,334	39,734
Total biological assets	41,230	40,334	39,734
Other non-current assets			
Deferred tax asset	5,312	9,782	5,398
Total other non-current assets	5,312	9,782	5,398
Total non-currents assets	950,691	968,518	954,069
Current assets			
Inventories	98,555	71,443	76,404
Biological assets - breeding and crops	81,255	91,108	64,593
Receivables	22,619	15,205	18,770
Other receivables	38,794	46,203	18,125
Accruals and deferred expenses	2,481	2,813	2,241
Cash at bank and in hand	3,287	8,985	7,753
Total current assets	246,991	235,757	187,886
TOTAL ASSETS	1,197,682	1,204,275	1,141,955

tDKK	The Group Q3 2021	The Group Q3 2020	The Group 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	78,610	75,666	75,666
Reserve for exchange rate adjustment	-33,403	-32,322	-37,469
Transferred result	465,408	436,311	439,605
Proposed dividend	0	0	5,675
Total equity	510,615	479,655	483,477
Liabilities			
Non-current liabilities			
Deferred tax	49,801	48,534	43,618
Credit institutions	256,646	262,090	251,967
Convertible bonds	107,050	118,988	112,946
Other non-current debt	48,010	52,541	52,603
Total non-current assets	461,507	482,153	461,134
Current liabilities			
Credit institutions	123,546	123,527	105,852
Convertible bonds	0	3,229	6,350
Trade payables and other payables	87,586	96,703	70,300
Corporation tax	259	0	0
Accruals and deferred income	14,169	19,008	14,842
Total current liabilities	225,560	242,467	197,344
Total liabilities	687,067	724,620	658,478
TOTAL EQUITY AND LIABILITIES	1,197,682	1,204,275	1,141,955

Equity statement (Condensed)

tDKK	The Group Q1+Q3 2021	The Group Q1+Q3 2020
EQUITY STATEMENT		
Equity 1 January	483,477	392,315
Result of the period	16,485	15,760
Other total income	4,086	-4,666
Conversion of bonds and issuance of shares	12,242	76,246
Dividend	-5,675	0
Total development for the period	27,138	87,340
Equity 30 September	510,615	479,655

Cash flow statement (Condensed)

tDKK	The Group Q1-Q3 2021	The Group Q1-Q3 2020
Pre-tax result	24,183	17,741
Adjustment of non-cash items	26,452	16,964
Change in working capital	-29,455	18,686
Cash flow from primary activities	21,180	53,391
Cash from interests and corporation tax	-20,572	-16,456
Cash flow from operating activities	608	36,935
Cash flow from investing activities	-21,772	-35,496
Cash flow from financing activities	16,698	4,524
Total cash flow	-4,466	5,963
Available, at the beginning	7,753	3,057
Exchange rate adjustment of available	0	-35
Available at closing	3,287	8,985

Segment information

Q1-Q3 2021	Romanian	Slovakian	Hungarian	Czech	Total report compulsory segments
tDKK	activities	activities	activities	activities	
Total segment turnover	34,710	138,231	26,964	56,624	256,529
Grants	7,560	24,095	1,467	5,984	39,106
Value adjustment of biological assets	20,215	964	-0,678	1213	21,714
Financial income	35	1,316	27	42	1420
Financial costs	-2,589	-6,622	-892	-946	-11,049
Depreciations	-3,635	-21,465	-2,043	-3,301	-30,444
Segment result before tax	23,089	13,247	-2,953	7,844	41,227
Segment assets	347,848	671,068	81,356	165,087	1,265,359
Plant investments *)	1,273	18,890	2,170	5,331	27,663
Segment liabilities	177,072	437,719	64,659	68,943	748,393

*) Plant investments are investments in machinery, land and buildings.

Q1-Q3 2020	Romanian	Slovakian	Hungarian	Czech	Total report compulsory segments
tDKK	activities	activities	activities	activities	
Total segment turnover	17,075	121,075	37,952	68,966	245,068
Grants	11,729	23,541	1,519	1,663	38,452
Value adjustment of biological assets	-4,153	-438	-6,276	-12	-10,879
Financial income	23	174	17	528	742
Financial costs	-5,351	-5,829	-2,372	-1,579	-15,131
Depreciations	-9,827	-21,574	-2,081	-3,218	-36,700
Segment result before tax	10,238	12,506	1,653	4,261	28,658
Segment assets	368,545	718,412	83,498	148,276	1,318,731
Plant investments *)	12,001	23,944	2,048	2,801	40,794
Segment liabilities	237,106	487,813	61,685	59,587	846,191

*) Plant investments are investments in machinery, land and buildings.

Reconciliation of report compulsory segments result	Q1-Q3	Q1-Q3
tDKK	2021	2020
Segment result before tax for report compulsory segments	41,227	28,658
Non-allocated result, Group function	-17,038	-10,917
Result of continued operations before tax, cp. income statement	24,189	17,741
Turnover	Q1-Q3	Q1-Q3
tDKK	2021	2020
Sale of milk	55,745	47,507
Sale of cows and calves	5,824	4,093
Sale of piglets and slaughter pigs	96,945	129,717
Sale of corn etc.	78,275	33,802
Other turnover	11,148	5,858
Total	247,936	220,977