

Interim financial report for 1 January – 31 March 2024 for FirstFarms A/S



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This report is composed in Danish and English. In case of doubt, in relation to interpretation, the Danish version takes precedence.



CEO in FirstFarms
Anders H. Nørgaard:

"FirstFarms has started 2024 with a satisfactory result and a number of events that will have a positive impact on both the year's result and the company's development and growth in the following years.

I notice an increase in EBITDA compared to the same period last year, and I am pleased with our pig and milk production, in which there is overall turnover increase and reasonable sales prices. 2024 has the potential to be a good year in the pig production. Crop prices are too low, but the efficiency of the fields is on the other hand high. It's good we have our risk diversification.

Great was also the capital we received when Heartland invested 186 mDKK in FirstFarms at the end of February 2024. The funds are earmarked for development and growth and will support the execution of Strategy 2028, which was initiated in Q1 2024. Execution is according to plan."

SATISFACTORY START TO 2024

FirstFarms has had a satisfactory start to 2024, where a number of significant events will have a positive impact on the Group both this year and in the coming years, as they support the execution of Strategy 2028 and contribute to the Group achieving its goals.

FirstFarms' animal production has come through Q1 2024 with a total increase in turnover of pigs and milk of DKK 9 million compared to the same period last year.

Last year, crop prices fell significantly compared to the record year of 2022. The low prices continued in Q1 2024. This means cheaper feed in the future, but also the risk of low prices for the new harvest.

A prerequisite for a good result in the crop production is that the high efficiency in the field continues, and we get good growing conditions. The growing season is off to a good start with more rainfall than last year.

In Q1 2024, there was a continued focus on the daily work of developing and implementing initiatives in a sustainable direction throughout the Group. This work continues and is continuously intensified.

Key figures Q1

In the accounting period Q1 2024, FirstFarms has realised the following:

- A turnover of 104 mDKK (2023: 109 mDKK)
- An EBITDA of 36 mDKK (2023: 33 mDKK)
- An EBIT of 22 mDKK (2023: 22 mDKK)
- A pre-tax result of 14 mDKK (2023: 20 mDKK)

EBITDA has improved by 3.0 mDKK compared to the same period last year. The decrease in turnover is due to lower sale of previous years' crops compared to Q1 2023. The lower pre-tax result compared to the same period last year is primarily due to a higher interest rate level, but also completed investments in 2023.

2024 is characterised by a number of events of particular importance for the Group's profit creation, development and growth.

- FirstFarms is now benefiting from the investment in two new pig productions in Hungary. This will be reflected in the operating profit. There is potential for a good year in the pig production, as FirstFarms expects pig prices to maintain a good level throughout 2024.

- The Dutch company Interfood will sell and distribute FirstFarms' dairy products to a number of leading food producers. The partnership will lead to a reduction in carbon emissions, as the volume of transport is minimised because of the water being separated from the milk. The separated water is reused in FirstFarms' production.
- FirstFarms' irrigation system, which covers 1,400 hectares of the Group's area in Romania, was completed and is ready for use. This will have a positive impact on the harvest yield and quality.
- FirstFarms secured a large capital injection of 186 mDKK from the Heartland Group. The money is earmarked for the Group's development and growth. Lise Kaae, CEO of Heartland, was elected to FirstFarms' Board of Directors at the Annual General Meeting on 16 April 2024.

Expectations to 2024

FirstFarms expects a satisfactory 2024.

Based on the ambition to grow FirstFarms over the next five years, the Group expects to deliver higher turnover and a better result in 2024 compared to 2023.

FirstFarms maintains the announced expectations for the year of an EBITDA in the range of 110 - 140 DKK and an EBIT of 50 - 80 mDKK compared to a realised EBITDA of 101 mDKK and an EBIT of 50 mDKK in 2023.

FirstFarms will increase the profit this year by making full use of the production capacity and continue to improve our circularity and efficiency in everything we do. The cost per unit produced must be reduced.

The journey towards an increasingly sustainable business continues with reducing emissions and preparing for the CSRD and EU taxonomy legislation, as well as a focus on implementing the right digital tools.

FirstFarms continues to invest in plants and machines that support the sustainability agenda, which is an integral part of everyday life in the Group.

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

Equity

Equity increased by 102 mDKK during the period, and in addition to the profit for the year, FirstFarms has carried out a share issue of 97 mDKK, as well as purchased own shares for 1 mDKK.

Milk

The price of milk has increased slightly since the end of 2023 but is lower compared to Q1 2023 (DKK 3.36/kg compared to DKK 3.65/kg). Efficiency and productivity are at a high level, which has contributed to an increase in milk production in Q1 2024 compared to Q1 last year.

Pigs

Turnover for piglets and slaughter pigs is higher in Q1 2024 compared to the same period last year. In Q1 2024, the sales price of piglets was 699DKK/pcs. compared to 643 DKK/pcs. in Q1 2023, and of slaughter pigs 15.63DKK/kg compared to 16.20DKK/kg. The good pig prices are expected to continue and at the same time feed prices have fallen in Q1 this year compared to the same period last year.

Crops

The low crop prices have continued into 2024, and there are no signs of an increase in the short term.

FirstFarms sells net 60 % of crop production. The remaining 40 % is used for feed. The growing season has so far been without any major challenges, and FirstFarms' crops are generally doing well. The fields are characterised by great efficiency.

Land

FirstFarms considers agricultural land to be an inflation-proof fixed asset; the company's agri-cultural land accounts for a quarter of the balance sheet total.

Risk assessment

FirstFarms has in the annual report of 2023 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 2023, to which is referred.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

Financial highlights mDKK	The Group Q1 2024	The Group Q1 2023	The Group 2024
Net turnover	103.8	109.4	461.6
Gross profit/loss	60.7	53.1	199.0
Result before depreciations (EBITDA)	36.4	33.1	101.2
Profit/loss from primary operations (EBIT)	22.2	21.5	50.1
Net financial items	-8.8	-1.7	-16.5
Profit before tax	13.4	19.8	33.6
Net profit	10.3	15.8	26.0
Non-current assets	1.230.0	1.114.4	1.227.3
Current assets	493.4	322.2	282.4
Total assets	1.723.4	1.436.6	1.509.7
Share capital	111.5	94.6	99.5
Equity	824.0	709.5	722.2
Non-current liabilities	739.5	430.8	655.0
Current liabilities	159.9	296.3	132.5
Net interest bearing debt	510.3	524.1	591.4
Cash flow from primary operations	35.8	47.4	133.6
Cash flow from operating activities	23.9	45.5	103.5
Cash flow from investment activities, net	-28.1	-60.7	-195.0
Of which for investment in tangible assets	-28.1	-42.5	-187.1
Cash flow from financing activities	181.0	20.7	95.5
Total cash flow	176.8	5.6	4.0
Key ratios			
Gross margin	58.4	48.5	43.1
EBITDA margin	35.0	30.3	21.9
Operating margin	21.3	19.7	10.9
Solvency ratio	48	49	48
Earnings per share, DKK	1.09	1.67	2.68
Diluted earnings per share, DKK	1.02	1.59	2.65
Dividend per share, DKK	0.00	0.00	0.00
NIBD/EBITDA	3.51	3.96	5.80
Return on shareholders' equity	5.3	9.1	4.2
Average number of employees	384	342	364



EXPECTATIONS

FirstFarms maintains the announced expectations of an EBITDA in the level of 110-140 mDKK, and an EBIT of 50-80 mDKK.

Announced expectations 2024 mDKK	EBITDA	EBIT
21 March 2024 (company announcement no. 5)	110-140	50-80

MANAGEMENT STATEMENT

The Board of directors and the management of FirstFarms A/S have today discussed and approved the interim financial report for the period 1 January – 31 March 2024.

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 on 31 March 2024 and of the results of the Group’s operations and cash flows for the period 1 January – 31 March 2024.

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, 30 May 2024

Management

Anders H. Nørgaard
CEO

Board of directors

Henrik Hougaard,
Chairman

Jens Bolding Jensen

Bendt Wedell

Lise Kaae

Asbjørn Børsting
Vice Chairman

Karina Boldsen

Claus Ewers



INCOME STATEMENT AND TOTAL INCOME STATEMENT

INCOMESTATEMENT tDKK

	The Group Q1 2024	The Group Q1 2023	The Group 2023
Net turnover	103,849	109,437	461,562
Production subsidies	14,450	14,286	62,242
Othe operating income	1,435	1,255	15,331
Value adjustment of biological assets	11,125	7,443	9,233
Total income	130,859	132,421	548,368
Cost of sales	-53,809	-61,365	-271,509
Other external costs	-16,386	-16,964	-77,815
Gross profit/loss	60,664	54,092	199,044
Staff costs	-24,306	-20,944	-97,802
EBITDA	36,358	33,148	101,242
Depreciations	-14,188	-11,639	-51,147
EBIT	22,170	21,509	50,095
Financial income	2,472	2,894	20,105
Financial costs	-11,237	-4,568	-36,639
Pre-tax result	13,405	19,835	33,561
Tax on net profit	-3,088	-4,029	-7,519
Net profit	10,317	15,806	26,042
Earnings per share	1.09	1.67	2.68
Diluted earnings per share	1.03	1.59	2.65

TOTAL INCOME STATEMENT tDKK

	The Group Q1 2024	The Group Q1 2023	The Group 2023
Net profit	10,317	15,806	26,042
Other total income			
Items that can be reclassified to teh income statement:			
- Exchange rate adjustments by conversion of foreign units	-4,897	10,597	3,854
Hedging instruments			
- Value adjustment for the period	0	-718	0
- Value adjustment of reclassified to financial items	0	404	-6,672
- Tax of other total income	0	66	1,401
Other total income after tax	-4,897	10,349	-1,417
Total income	5,420	26,155	24,625

BALANCE SHEET ASSETS

BALANCE tDKK	The Group Q1 2024	The Group Q1 2023	The Group 2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	16,083	16,083	16,083
Total intangible assets	16,083	16,083	16,083
Tangible assets			
Land	473,242	468,462	474,449
Buildings	390,363	213,369	397,932
Plant and machinery	161,833	130,103	160,874
Fixtures and fittings, tools and equipment	13,530	10,209	13,003
Assets under construction and prepayment	65,413	178,445	54,002
Total tangible assets	1.104,381	1.000,588	1.100,260
Biological assets			
Basic herd	60,015	51,305	61,457
Total biological assets	60,015	51,305	61,457
Other non-current assets			
Other capital shares	45,063	45,128	45,063
Deferred tax assets	4,445	1,277	4,454
Total other non-current assets	49,508	46,405	49,517
Total non-current assets	1.229,987	1.114,381	1.227,317
Current assets			
Inventories	72,929	93,332	85,335
Biological assets – breeding and crops	138,545	125,329	97,153
Receiveables from sale	30,353	33,397	28,792
Other receivables	39,799	40,344	33,182
Receivable corporation tax	3,923	0	2,275
Accruals and deferred expenses	5,207	2,381	9,755
Cast at bank and in hand	202,691	27,422	25,880
Total current assets	493,447	322,205	282,372
TOTAL ASSETS	1.723,434	1.436,586	1.509,689

BALANCE SHEET EQUITY AND LIABILITIES

BALANCE tDKK	The Group Q1 2024	The Group Q1 2023	The Group 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	111,463	94,603	99,463
Reserve for exchange rate adjustment	-38,646	-27,449	-34,479
Reserve for cash flow hedge	0	4,402	0
Transferred result	751,187	628,960	657,212
Proposed dividend	0	8,987	0
Total equity	824,004	709,503	722,196
Liabilities			
Non-current liabilities			
Deferred tax	42,528	42,233	41,598
Credit institutions	534,433	342,236	537,748
Convertible bonds	88,981	0	0
Other debts	5,461	11,115	5,547
Accruals and deferred income	68,095	35,220	70,144
Total non-current liabilities	739,498	430,804	655,037
Current liabilities			
Credit institutions	69,513	166,868	70,306
Convertible bonds	0	22,351	0
Trade payables and other payables	81,358	97,006	57,033
Corporation tax	1,396	5,772	1,791
Accruals and deferred income	7,665	4,282	3,326
Total current liabilities	159,932	296,279	132,456
Total liabilities	899,430	727,083	787,493
TOTAL EQUITY AND LIABILITIES	1.723,434	1.436,586	1.509,689

EQUITY STATEMENT (condensed) tDKK	The Group Q1 2024	The Group Q1 2023
Equity 1 January	722,196	683,061
Result of the period	10,317	15,806
Warrants	299	287
Other total income	-4,897	10,349
Total income for the period	5,719	26,442
Capital increase	96,923	0
Purchase of own shares	-834	0
Equity 31 March	824,004	709,503

At the annual general meeting on 25 April 2023, FirstFarms was authorized to acquire 10% of the company's own shares. In Q1 2024, the company utilised this authorisation and acquired 10,233 own shares. The share buy-back programme will be used to cover the warrant program.

CASH FLOW STATEMENT

CASH FLOW STATEMENT tDKK	The Group Q1 2024	The Group Q1 2023
Pre-tax result	13,405	19,835
Adjustments for non -monetary operating items etc.:		
Depreciation/amortisation	14,188	11,639
Reversal of profit, sale of non -current assets and badw	-172	-638
Value adjustment of biological assets	-11,125	-7,443
Financial income	-2,472	-2,894
Financial costs	11,237	4,568
Sharebased remuneration	299	250
Cash flow generated from operation before change in working capital	25,360	25,317
Change in working capital	10,431	22,091
Cash flow from main activities	35,791	47,408
Interest received	2,472	2,894
Interest paid	-11,237	-4,164
Paid corporation tax	-3,099	-608
Cash flow from operating activities	23,927	45,530
Acquisition of financial assets	0	-20,866
Sale of tangible assets	1,827	2,660
Acquisition of tangible assets	-29,958	-42,508
Cash flow from investing activities	-28,131	-60,714
Capital increase	96,923	0
Proceeds from convertible bonds	88,981	0
Proceeds from loans	7,814	41,100
Loan repayment	-9,055	-16,807
Repayment on other debts	-3,655	-3,547
Cash flow from financing activities	181,008	20,746
Cash flow of the period	176,804	5,562
Available, at the beginning	25,880	21,860
Exchange rate adjustment of available	7	0
Available, at closing	202,691	27,422

SEGMENT INFORMATION Q1 2024 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Others/ Non-allocated	Intercompany elimination	Total
Total segment turnover	0	56,985	27,452	25,506	2,778	-8,872	103,849
Grants	3,599	9,211	1,218	422	0	0	14,450
Value adjustment of biological assets	0	4,380	6,248	497	0	0	11,125
Result before depreciations (EBITDA)	673	19,753	13,367	4,562	-1,997	0	36,358
Depreciations	2,972	7,646	2,726	831	13	0	14,188
Profit/los from primary operation (EBIT)	-2,299	12,107	10,641	3,731	-2,010	0	22,170
Financial income	375	1,686	0	710	7,434	-7,733	2,472
Financial costs	-3,224	-6,131	-5,667	-681	-3,267	7,733	-11,237
Result before tax	-5,148	7,662	4,974	3,760	2,157	0	13,405
Assets	312,779	688,333	341,203	198,538	585,565	-402,984	1,723,434
Non-current assets	264,570	512,099	302,464	155,895	369,109	-374,150	1,229,987
Plant investments *)	15,092	4,457	7,455	1,127	0	0	28,131
Liabilities	233,933	391,304	332,855	67,515	272,993	-399,170	899,430

SEGMENT INFORMATION Q1 2023 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Others/ Non-allocated	Intercompany elimination	Total
Total segment turnover	2,815	70,024	16,652	25,510	2,529	-8,093	109,437
Grants	2,740	9,535	510	1,501	0	0	14,286
Value adjustment of biological assets	0	3,563	2,824	1,056	0	0	7,443
Result before depreciations (EBITDA)	802	24,037	6,376	4,524	-2,591	0	33,148
Depreciations	2,233	7,074	1,263	1,056	13	0	11,639
Profit/los from primary operation (EBIT)	-1,431	16,963	5,113	3,468	-2,604	0	21,509
Financial income	156	555	0	16	6,362	-4,195	2,894
Financial costs	-1,521	-3,440	-1,757	-864	-1,181	4,195	-4,568
Result before tax	-2,796	14,078	3,356	2,620	2,577	0	19,835
Assets	229,648	693,504	322,046	196,559	381,737	-386,908	1,436,586
Non-current assets	189,356	507,192	270,270	148,251	327,184	-327,872	1,114,381
Plant investments *)	2,825	11,658	27,119	906	0	0	42,508
Liabilities	143,489	396,767	306,298	70,090	195,050	-384,611	727,083

*) Investments include investments in machinery, land and buildings. FirstFarms' report compulsory segments are constituted by the business units in Slovakia, Romania, Hungary and the Czech Republic.

In Slovakia, we operate within pig, milk and crop production. In Romania, we operate within crop production. In Hungary and in the Czech Republic within pig and crop production.

The four business units are operated independently, as each unit has different management, activities and customers. The report compulsory segments are identified without aggregation of operation segments.

Products

FirstFarms' turnover primarily concerns milk, pigs and crops.

The turnover is specified:

tDKK	Romania Q1 2024	Romania Q1 2023	Slovakia Q1 2024	Slovakia Q1 2023	Hungary Q1 2023	Hungary Q1 2023	Czech Q1 2024	Czech Q1 2023
Milk	0	0	29,978	31,395	0	0	0	0
Cows and calves	0	0	2,677	3,201	0	0	0	0
Piglets and slaughter pigs	0	0	16,675	17,531	26,951	15,046	25,080	24,159
Crops	0	2,776	7,241	17,582	199	9	0	0
Other turnover	0	39	414	382	302	1,597	426	1,351
Total	0	2,815	26,985	70,024	27,452	16,652	25,506	25,510

Geographical information

FirstFarms operates in Romania, Slovakia, Hungary and the Czech Republic. Management and strategic services are provided by the parent company to the subsidiaries.

The subsidiaries are partly financed by loans from the parent company. When presenting information on geographical areas, information on the distribution of turnover by geographic segment is calculated based on the geographical location.

Distribution of assets by geographic segment is based on the physical location of the assets.

TURNOVER tDKK	The Group Q1 2024	The Group Q1 2023
Milk	29,978	31,395
Cows and calves	2,677	3,201
Piglets and slaughter pigs	62,807	51,815
Crops	7,440	18,602
Other turnover	947	4,424
Total	103,849	109,437

INVESTOR INFORMATION

Basic data

Stock exchange: Nasdaq Copenhagen A/S
Index: SmallCap
Sector: Consumer staples
ISIN code: DK0060056166
Short name: FFARMS

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Financial calendar

21 March 2024	Annual report 2023
16 April 2024	Annual general meeting
30 May 2024	Interim financial report 1 January – 31 March 2024
28 August 2024	Interim financial report 1 January – 30 June 2024
27 November 2024	Interim financial report 1 January – 30 September 2024

Find more information about FirstFarms here: www.firstfarms.com

LET'S GROW TOGETHER



VISION

We want to be one of Europe's best operated and most profitable companies in the area of agriculture and food products.

PURPOSE

Contribute to a healthier world with food products, which are produced with respect for people, animals, soil and climate.

MISSION

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.

