

30 August 2023

FirstFarms A/S' interim financial report 1 January – 30 June 2023

Large turnover increase and satisfactory earning

FirstFarms A/S presents a turnover increase of 31 % and delivers satisfactory earnings in first half year of 2023. Expectations for the year's result 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 June 2023.

FirstFarms has in the accounting period realised:

- A net turnover of 203 mDKK (2022: 155 mDKK)
- An EBITDA of 67 mDKK (2022: 66 mDKK)
- An EBIT of 42 mDKK (2022: 42 mDKK)
- A pre-tax result of 39 mDKK (2022: 41 mDKK)

FirstFarms maintains the announced expectations for 2023 of an EBITDA in the level of 90-120 mDKK and an EBIT of 45-75 mDKK. In the record year 2022, an EBITDA of 148 mDKK and an EBIT of 96 mDKK was realised.

Good pig prices and increasing costs

The markets were unpredictable. Crop prices dropped significantly and more than expected, while pig prices surprisingly continued to increase in 2023 after prices otherwise set a record last year.

FirstFarms is challenged by increasing costs for, among other things salaries, which must be adjusted to the high inflation in the countries in which FirstFarms operates.

CEO Anders H. Nørgaard says:

"We are happy that we managed to deliver a satisfactory result despite volatile markets and other challenges. Once again, our risk diversification has shown its value and created value for our shareholders. We entered 2023 with some uncertainty about the year's development and results and are therefore happy that we, with peace in mind, can maintain the previously announced expectations for the year.

It has been a half year with many new initiatives. I am particularly happy about our ongoing transformation to renewable energy. In particular, the installation of solar cell systems has picked up speed during the period."

Pig prices skyrocketed

Market prices in 2023 for piglets and slaughter pigs are at a historically high level. Market prices for piglets at the end of June were 677 DKK (+360 DKK compared to the end of June last year) and 18.60 DKK /kg for fattening pigs (+4.84 DKK /kg). The turnover for piglets and slaughter pigs has increased by 31 mDKK in first half year of 2023 compared to the same period last year.

The Group's two new pig production facilities in Hungary were put into full use with a capacity for 2,000 sows and piglets. The first piglets are ready for delivery in Q4, 2023. The productions have created 30 new local jobs.

Stable milk and low crop prices

In first half year of 2023, milk production was slightly higher (+1.6 %) compared to first half year of 2022. The milk price has stabilised at a reasonably high level (3.45 DKK/kg compared to 3.09 DKK/kg in the same period last year). Overall, this has resulted in a turnover from the milk production of 59 mDKK in the first half year of 2023 compared to 53 mDKK in the first half year of 2022.

The harvest is expected to be satisfactory, however, with large geographical differences in quality and yield as a result of the weather. Input costs for the fields have increased and the price of crops has decreased significantly compared to the first half year of 2022, which offered historically high crop prices.

Focus must contribute to realising ambitions

"Increased efficiency and circularity in operations has been a focus area during the period, and will be so going forward, as they are essential conditions for meeting our own expectations for the year's result and for our ambition for a future among Europe's best operated and most profitable companies in the area of agriculture and food products," 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 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.