

21 March 2024

Annual report 2023: The foundation for strong growth in place

FirstFarms A/S achieves the second-best operating result (EBITDA) since the listing on the stock exchange in 2006. The foundation for strong growth and fulfilment of the 2028 strategy is in place with a satisfactory 2023 result and a capital injection at the beginning of 2024.

FirstFarms has in 2023 realised:

- A turnover of 462 mDKK (2022: 418 mDKK)
- An EBITDA of 101 mDKK (2022: 147 mDKK)
- An EBIT of 50 mDKK (2022: 96 mDKK)
- A result after tax of 26 mDKK (2022: 65 mDKK)

Equity has increased from 683 mDKK to 723 mDKK. The total strengthening of the capital amounts to 40 mDKK. The group will thus end up with a solvency ratio of 48% at the end of 2023.

The Board of Directors and Management of FirstFarms A/S have today reviewed and adopted the annual report for 2023.

FirstFarms expects to initiate a share buyback of up to 105,000 shares to cover the warrant program. Pursuant to authorisation, the share buyback was approved at the company's ordinary general meeting on 25 April 2023.

2023 offered difficult market conditions. A combination of high milk and pig prices as well as a stable, efficient and circular operation, ensures however that FirstFarms delivers a result within the range of the announced expectations and achieves an increase in turnover of 10%.

"Risk spreading in both operations and geography has become our positive trademark and is again an important factor in our ability to deliver positive results. Risk spreading is part of our DNA and gives us the resilience that is necessary," says CEO Anders H. Nørgaard.

High level of activity

2023 offered a wide range of activities - for example:

- Two new pig productions in Hungary were taken into use and are now operating at 100 percent
- Establishment of large irrigation system in Romania – ready for use now
- Setting up solar panels on several production units
- Continued investigations into the possibility of starting biogas production
- Strategy development and organisational adjustments
- ESG measures, e.g. mapping of greenhouse gas emissions and development of sustainability plans for the individual production units.

"After many months of thorough work, we were able to present our ambitious new strategy at the end of the year; "Strategy 2028", which will ensure our continued journey of growth. At the same time, we made a number of organisational changes and implemented a new broad distribution of responsibilities and tasks, which means that the organisation is scaling up and ready for the upcoming growth task, says Anders H. Nørgaard.

Expectations for 2024: Profit-wise progress

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. An EBITDA of 110 - 140 mDKK and an EBIT of 50 - 80 mDKK are expected compared to a realised EBITDA of 101 mDKK and an EBIT of 50 mDKK in 2023.

"If we are to achieve our goal in 2024, we must be "best in class" in our efficiency and ability to fully utilise the production capacity we have. We must focus all the way down to the detail on reducing our costs per produced unit. Here we are well assisted by our circular way of thinking," says Anders H. Nørgaard.

The focus will be on creating the most value possible in the circular operation and the value chains around FirstFarms' products.

Work towards a more sustainable agriculture is being intensified and the transition to green energy will continue in 2024. Among other things, there is a focus on increasing the Group's own integrated production of renewable energy. The goal is to improve energy efficiency and become as energy self-sufficient as possible.

Well equipped for growth

On 29 February 2024, FirstFarms could announce a capital injection of 186 mDKK from the Heartland group. The added funds are intended for development and growth.

With Heartland's entry into an already strong circle of owners, FirstFarms is extremely well equipped to execute on "Strategy 2028". FirstFarms' 2028 goal is to increase the group's revenue to 750 mDKK and EBITDA to 240 mDKK.

FirstFarms will develop into one of Europe's best operated and most profitable companies within agriculture and food products.

FirstFarms' annual report can be seen in its full length in the attached file.

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.