

# Interim financial report for 1 January – 31 March 2022 for FirstFarms A/S



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**CEO in FirstFarms**  
**Anders H. Nørgaard:**

*"The year 2022 has started satisfactorily for FirstFarms. In Q1, we can see progress in several of our operating business units, while the contribution ratio has also increased.*

*However, the markets are still characterised by great uncertainty. Prices can i.e. fluctuate dramatically from day to day. We do, however, see an upward trend on both milk and pig prices, and the crop prices continue to set new records. The price increases on our products, our risk diversification, high efficiency and relatively low costs, not least as a result of producing our own feed – entails that we feel that we are in control.*

*We maintain the announced expectations of an EBITDA of 80-120 mDKK and an EBIT of 35-75 mDKK. The ambition is continued development and growth with the goal of becoming one of Europe's best operated and most profitable companies in the area of agriculture and food products"*



# PROGRESS DESPITE VOLATILE MARKET CONDITIONS

The year 2022 has started satisfactorily for FirstFarms.

FirstFarms is progressing in efficiency and the prices of our products are increasing. On the other hand, the company has also seen increasing production costs as the rest of the market. The circular production with, among other things, use of own feed and utilisation of manure offset some of the large increasing of production costs.

FirstFarms is constantly looking for new ways to include the circular part in the production. I.e. energy, where there is a large degree of self-sufficiency on the company's new pig project in Hungary.

In Q1, FirstFarms has seen increases in the pig prices higher than the same period last year, where there were very high increases. In Mid-May there was a decline in the prices, however not to the level at the start of the year.

There has also been significant increases in the milk price. This, combined with FirstFarms' historically high milk production, means that the milk production contributes significantly to the period's result.

In Q1, FirstFarms has initiated the construction of the project for 2,000 sows in Hungary and production of 70,000 piglets. FirstFarms expects completion of the construction by the end of 2023, which is in line with the plan.

The silo project in Slovakia with 12,000 tons storage capacity is expected finished before the start of the 2022 harvest.

FirstFarms considers agricultural land as an inflation secured asset; the company's agricultural land accounts for 40 % of the balance sheet total.

FirstFarms has in the accounting period realised:

- A net turnover of 68 mDKK (2021: 76 mDKK)

- An EBITDA of 30 mDKK (2021: 29 mDKK)
- An EBIT of 19 mDKK (2021: 16 mDKK)
- A pre-tax result of 17 mDKK (2021: 11 mDKK)

The net turnover has decreased by 8 mDKK; this is due to less sale of crops in the first quarter compared to last year. A large part of the crops were sold and delivered in Q4 2021.

EBITDA and EBIT are improved with 1.0 mDKK and 3.0 mDKK, respectively compared to same period last year.

## Expectations

FirstFarms maintains the announced expectations for 2022, which is an EBITDA in the level of 80-120 mDKK and EBIT of 35-75 mDKK. In 2021, an EBITDA of 114 mDKK and EBIT of 70 mDKK was realised.

### **Equity**

The equity is in the period increased by 16 mDKK, in addition to the result for the year, FirstFarms has a positive adjustment on the interest rate hedge instrument of 3 mDKK. During the period, there has been no significant impact on exchange rates relating to foreign entities.

### **Milk**

In Q1 2022, the milk price and milk production have been considerably higher compared to Q1 2021 (2.86 DKK/kg compared to 2.38 DKK/kg). In total, this has entailed an additional turnover in the milk production of 7 mDKK.

### **Pigs**

The turnover for piglets and slaughter pigs is in Q1 2022 on par with same period last year. In Q1 2022, the piglet price was 41.20 DKK/pcs. Compared to 44.75 DKK in Q1 2021, and slaughter pig price was 10.73 DKK/kg compared to 9.24 DKK. The prices have, as in Q1 2021, increased towards the end of the quarter, thus there is a positive value adjustment of the herd of 15 mDKK compared to 9 mDKK in Q1 2021.

### **Crops**

The crop prices have increased to historical levels. This has not had a significant impact on the result for Q1 2022, as there has been no significant sales of crops in Q1 2022. Crops in the field are impacted by lack of rain, like in most of Europe. The development is therefore not on par with 2021, where there were record yields several places. Thus, the biological transformation at the end of Q1 is negative compared to same period in 2021.



### **Risk assessment**

FirstFarms has in the annual report of 2021 described the most essential risks for the company, and it is the management's opinion that the description is still adequate.

The annual report and the risk assessment can be found on the company's website [www.firstfarms.com](http://www.firstfarms.com).

### **Accounting policies**

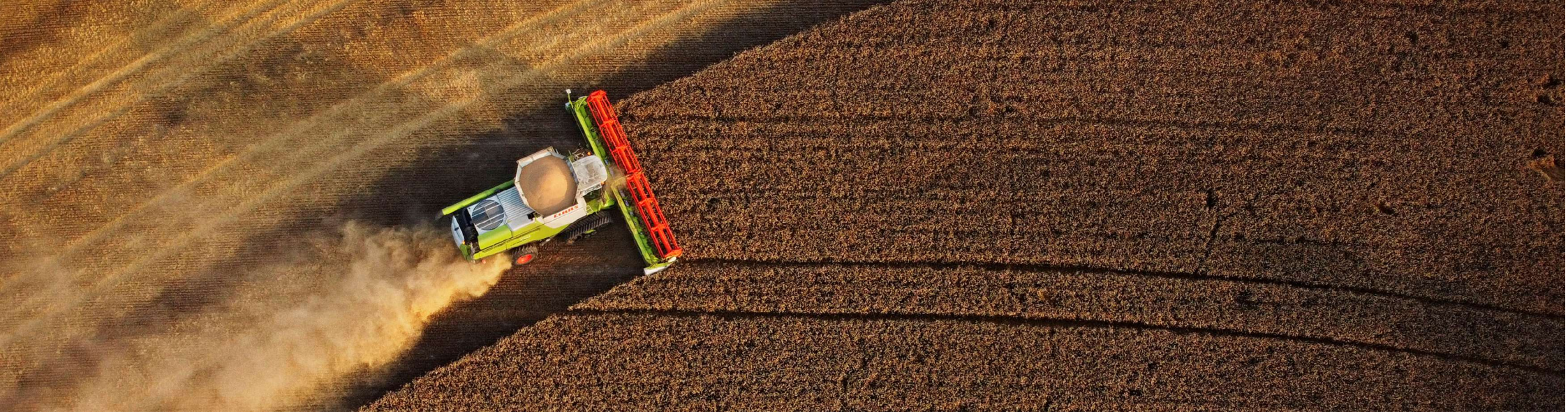
The interim financial report is prepared in accordance with IAS 34 "Presentation of interim financial reports" as adopted by the EU and Danish disclosure requirements for listed companies.

Accounting policies are unchanged compared to the consolidated financial statement and annual report for 2021, to which is referred.

# FINANCIAL HIGHLIGHTS AND KEY RATIOS

Financial highlights mDKK	The Group Q1 2022	The Group Q1 2021	The Group 2021
<b>Net turnover</b>	<b>67.8</b>	<b>76.1</b>	<b>369.5</b>
Gross profit/loss	47.1	44.9	184.2
<b>Result before depreciations (EBITDA)</b>	<b>30.2</b>	<b>29.2</b>	<b>113.7</b>
<b>Profit/loss from primary operations (EBIT)</b>	<b>19.0</b>	<b>16.1</b>	<b>69.9</b>
Net financial items	-2.0	-5.6	-24.0
<b>Profit before tax</b>	<b>17.0</b>	<b>10.6</b>	<b>45.9</b>
Net profit	13.6	7.7	34.8
Non-current assets	853.9	947.6	834.7
Current assets	271.4	209.4	263.8
<b>Total assets</b>	<b>1,125.3</b>	<b>1,157.1</b>	<b>1,098.5</b>
Share capital	78.6	75.7	78.6
Equity	<b>546.5</b>	<b>490.0</b>	<b>530.1</b>
Non-current liabilities	332.4	474.8	327.7
Current liabilities	271.4	192.3	240.7
<b>Net interest bearing debt</b>	<b>426.6</b>	<b>511.0</b>	<b>390.4</b>
<b>Cash flow from primary operations</b>	<b>-6.6</b>	<b>13.8</b>	<b>77.7</b>
Cash flow from operating activities	-10.1	8.7	46.3
Cash flow from investment activities, net	-23.6	-2.7	109.7
Of which for investment in tangible assets	-25.6	-6.6	-72.8
Cash flow from financing activities	-6.6	-4.0	-86.2
<b>Total cash flow</b>	<b>-40.3</b>	<b>1.9</b>	<b>69.7</b>
<b>Key ratios</b>			
Gross margin	69.4	59.0	49.9
<b>EBITDA margin</b>	<b>44.5</b>	<b>38.4</b>	<b>30.8</b>
Operating margin	28.0	21.2	18.9
Solvency ratio	49	42	48
<b>Earnings per share, DKK</b>	<b>1.80</b>	<b>1.09</b>	<b>4.51</b>
Diluted earnings per share, DKK	1.52	0.97	4.06
Dividend per share, DKK	0.00	0.00	0.85
NIBD/EBITDA	3.53	4.38	3.40
Return on shareholders' equity	10.1	7.0	6.9
Average number of employees	321	317	318





# EXPECTATIONS

FirstFarms maintains the announced expectations of an EBITDA in the level of 80-120 mDKK, and an EBIT of 35-75 mDKK.

Announced expectations 2022 mDKK	EBITDA	EBIT
23 March 2022 (company announcement no. 3)	80-120	35-75

# MANAGEMENT STATEMENT

The Board of directors and the management of i FirstFarms A/S have today discussed and approved the interim financial report for the period 1 January – 31 March 2022.

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 31 March 2022 and of the results of the Group’s operations and cash flows for the period 1 January – 31 March 2022.

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, 31 May 2022

## Management

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Anders H. Nørgaard  
CEO

## Board of directors

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Henrik Hougaard,  
Chairman

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Jens Bolding Jensen

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Bendt Wedell

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Asbjørn Børsting  
Vice Chairman

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Karina Boldsen

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Claus Ewers





# INCOME STATEMENT AND TOTAL INCOME STATEMENT

INCOMESTATEMENT tDKK	The Group Q1 2022	The Group Q1 2021	The Group 2021
Net turnover	67,847	76,198	369,483
Public subsidies	12,202	12,189	53,436
Othe operating income	2,081	1,328	27,279
Value adjustment of biological assets	15,748	13,007	6,008
<b>Total income</b>	<b>97,878</b>	<b>102,722</b>	<b>456,206</b>
Cost of sales	-32,724	-40,994	-197,604
Other external costs	-18,047	-16,862	-74,393
<b>Gross profit/loss</b>	<b>47,107</b>	<b>44,866</b>	<b>184,209</b>
Administratation costs	-16,920	-15,619	-70,531
<b>EBITDA</b>	<b>30,187</b>	<b>29,247</b>	<b>113,678</b>
Depreciations	-11,188	-13,124	-43,746
<b>EBIT</b>	<b>18,999</b>	<b>16,123</b>	<b>69,932</b>
Financial income	2,853	175	2,327
Financial costs	-4,812	-5,725	26,345
<b>Pre-tax result</b>	<b>17,040</b>	<b>10,573</b>	<b>45,914</b>
Tax on net profit	-3,409	-2,829	-11,159
<b>Net profit</b>	<b>13,631</b>	<b>7,744</b>	<b>34,755</b>
Earnings per share	1.80	1.02	4.51
Diluted earnings per share	1.52	0.93	4.06

TOTAL INCOME STATEMENT tDKK	The Group Q1 2022	The Group Q1 2021	The Group 2021
Net profit	13,631	7,744	34,755
<b>Other total income</b>			
Items that can be reclassified to teh income statement:			
- Exchange rate adjustments by conversion of foreign units	370	-1,878	-139
Hedging instruments			
- Value adjustment for the period	2,927	1,086	1,526
- Value adjustment of reclassified to financial items	-225	-246	962
- Tax of other total income	-340	-176	-821
<b>Other total income after tax</b>	<b>2,732</b>	<b>-1,214</b>	<b>1,528</b>
<b>Total income</b>	<b>16,363</b>	<b>6,530</b>	<b>36,283</b>



# BALANCE SHEET ASSETS

BALANCE tDKK	The Group Q1 2022	The Group Q1 2021	The Group 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	16,083	16,083	16,083
<b>Total intangible assets</b>	<b>16,083</b>	<b>16,083</b>	<b>16,083</b>
<b>Tangible assets</b>			
Land	437,036	534,150	436,474
Buildings	205,450	224,934	208,393
Plant and machinery	83,686	86,524	87,417
Fixtures and fittings, tools and equipment	6,115	5,419	5,505
Assets under construction and prepayment	58,290	32,005	37,488
<b>Total tangible assets</b>	<b>790,577</b>	<b>883,032</b>	<b>775,277</b>
<b>Biological assets</b>			
Basic herd	44,232	43,105	40,944
<b>Total biological assets</b>	<b>44,232</b>	<b>43,105</b>	<b>40,944</b>
<b>Other non-current assets</b>			
Deferred tax assets	3,002	5,397	2,398
<b>Total other non-current assets</b>	<b>3,002</b>	<b>5,397</b>	<b>2,398</b>
<b>Total non-current assets</b>	<b>853,894</b>	<b>947,617</b>	<b>834,702</b>
<b>Current assets</b>			
Inventories	80,474	50,770	83,560
Biological assets – breeding and crops	105,052	101,807	64,611
Receiveables from sale	20,944	25,285	20,946
Other receivables	24,529	20,012	14,896
Accruals and deferred expenses	3,157	1,870	2,359
Cast at bank and in hand	37,264	9,698	77,467
<b>Total current assets</b>	<b>271,420</b>	<b>209,442</b>	<b>263,839</b>
<b>TOTAL ASSETS</b>	<b>1,125,314</b>	<b>1,157,059</b>	<b>1,098,541</b>

# BALANCE SHEET EQUITY AND LIABILITIES

BALANCE tDKK	The Group Q1 2022	The Group Q1 2021	The Group 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	78,610	75,666	78,610
Reserve for exchange rate adjustment	-37,608	-39,347	-37,608
Reserve for cash flow hedge	1,166	-2,178	-1,421
Transferred result	497,646	450,191	483,870
Proposed dividend	6,682	5,675	6,682
<b>Total equity</b>	<b>546,496</b>	<b>490,007</b>	<b>530,133</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax	35,796	45,708	31,846
Credit institutions	251,008	257,073	246,931
Convertible bonds	22,855	112,941	22,855
Other debts	26,204	59,055	26,083
<b>Total non-current liabilities</b>	<b>332,354</b>	<b>474,777</b>	<b>327,715</b>
<b>Current liabilities</b>			
Credit institutions	71,573	96,706	76,189
Convertible bonds	84,368	6,350	84,368
Trade payables and other payables	77,307	74,730	67,690
Corporation tax	697	303	766
Accruals and deferred income	12,519	14,186	11,680
<b>Total current liabilities</b>	<b>246,464</b>	<b>192,275</b>	<b>240,693</b>
<b>Total liabilities</b>	<b>578,818</b>	<b>667,052</b>	<b>568,408</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,125,314</b>	<b>1,157,059</b>	<b>1,098,541</b>



**EQUITY STATEMENT (condensed)**  
tDKK**The Group**  
**Q1 2022****The Group**  
**Q1 2021**

Equity 1 January	530,133	483,477
Result of the period	13,631	7,744
Other total income	2,732	-1,214
Dividend	0	0
Total income for the period	16,363	6,530
<b>Equity 31 March</b>	<b>546,496</b>	<b>490,007</b>

**CASH FLOW STATEMENT**  
tDKK

**The Group**  
**Q1 2022**

**The Group**  
**Q1 2021**

Pre-tax result Adjustments for non -monetary operating items etc.:	17,040	10,573
Depreciation/amortisation		
Reversal of profit, sale of non -current assets and badw	11,198	14,067
Value adjustment of biological assets	-1,389	830
Financial income	-15,748	-13,007
Financial costs	-2,853	-175
<b>Cash flow generated from operation before change in working capital</b>	<b>4,812</b>	<b>5,725</b>
	<b>13,060</b>	<b>17,068</b>
Change in working capital		
<b>Cash flow from main activities</b>	<b>-19,651</b>	<b>-4,230</b>
	<b>-6,591</b>	<b>13,783</b>
Interest received		
Interest paid	2,853	175
Paid corporation tax	-4,812	-5,725
<b>Cash flow from operating activities</b>	<b>-1,551</b>	<b>436</b>
	<b>-10,101</b>	<b>8,669</b>
Disposal of material assets, paid		
Acquisition of tangible assets	2,032	3,941
<b>Cash flow from investing activities</b>	<b>-25,647</b>	<b>-6,625</b>
	<b>-23,615</b>	<b>-2,685</b>
Proceeds from loans	19,117	13,750
Loan repayment	-22,231	-14,411
Proceeds from other debts	-3,442	-3,379
<b>Cash flow from financing activities</b>	<b>-6,556</b>	<b>-4,040</b>
<b>Cash flow of the period</b>	<b>-40,272</b>	<b>1,945</b>
Available, at the beginning	77,472	7,753
Exchange rate adjustment of available	64	0
<b>Available, at closing</b>	<b>37,264</b>	<b>9,698</b>

**CASH FLOW STATEMENT**



SEGMENT INFORMATION Q1 2022 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Others/ Non-allocated	Intercompany elimination	Total
<b>Total segment turnover</b>	<b>1,918</b>	<b>44,826</b>	<b>7,703</b>	<b>17,329</b>	<b>0</b>	<b>-3,929</b>	<b>67,847</b>
Grants	2,942	8,319	491	450	0	0	12,202
Value adjustment of biological assets	200	7,716	4,617	3,215	0	0	15,748
<b>Result before depreciations (EBITDA)</b>	<b>2,226</b>	<b>20,971</b>	<b>3,539</b>	<b>6,124</b>	<b>-2,673</b>	<b>0</b>	<b>30,187</b>
Depreciations	1,949	7,569	640	1,016	13	0	11,187
<b>Profit/los from primary operation (EBIT)</b>	<b>277</b>	<b>13,402</b>	<b>2,899</b>	<b>5,107</b>	<b>-2,686</b>	<b>0</b>	<b>18,999</b>
Financial income	58	197	271	53	2,392	-118	2,853
Financial costs	-139	-1,242	-423	-508	-2,618	118	-4,812
Result before tax	196	12,357	2,747	4,652	-2,912	0	17,040
<b>Assets</b>	<b>208,954</b>	<b>643,563</b>	<b>119,475</b>	<b>178,413</b>	<b>275,667</b>	<b>-300,758</b>	<b>1,125,314</b>
Non-current assets	169,553	488,319	80,901	141,828	253,596	-280,303	853,894
Plant investments *)	2,190	11,996	10,402	1,059	0	0	25,647
Liabilities	119,201	399,033	108,844	73,351	179,147	-300,758	578,818

SEGMENT INFORMATION Q1 2021 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Others/ Non-allocated	Intercompany elimination	Total
<b>Total segment turnover</b>	<b>6,852</b>	<b>45,473</b>	<b>8,465</b>	<b>17,611</b>	<b>1,087</b>	<b>-3,290</b>	<b>76,198</b>
Grants	2,439	6,389	496	1,995	0	0	11,319
Value adjustment of biological assets	2,000	7,297	4,617	-907	0	0	13,007
<b>Result before depreciations (EBITDA)</b>	<b>3,304</b>	<b>19,360</b>	<b>4,727</b>	<b>3,604</b>	<b>-1,746</b>	<b>0</b>	<b>29,248</b>
Depreciations	2,091	9,231	683	1,108	12	0	13,124
<b>Profit/los from primary operation (EBIT)</b>	<b>1,213</b>	<b>10,129</b>	<b>4,044</b>	<b>2,496</b>	<b>-1,758</b>	<b>0</b>	<b>16,124</b>
Financial income	21	1,011	0	11	0	-868	175
Financial costs	-71	-2,144	-294	-313	-3,772	868	-5,726
Result before tax	1,163	8,996	3,750	2,194	-5,530	0	10,573
<b>Assets</b>	<b>320,657</b>	<b>680,190</b>	<b>86,734</b>	<b>154,132</b>	<b>193,115</b>	<b>-277,769</b>	<b>1,157,059</b>
Non-current assets	291,972	473,143	74,379	125,667	192,599	-304,095	853,665
Plant investments *)	285	4,095	1,923	322	0	0	6,625
Liabilities	167,804	450,454	66,294	61,141	199,128	-277,769	667,052

\*) 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 we operate within pig production 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 2022	Romania Q1 2021	Slovakia Q1 2022	Slovakia Q1 2021	Hungary Q1 2022	Hungary Q1 2021	Czech Q1 2022	Czech Q1 2021
Milk	0	0	24,601	18,095	0	0	0	0
Cows and calves	0	0	2,810	2,038	0	0	0	0
Piglets and slaughter pigs	0	0	11,892	10,502	7,693	8,401	15,944	15,234
Crops	1,487	6,852	2,412	11,019	0	0	0	21
Other turnover	431	0	3,111	3,819	10	64	1,385	2,356
<b>Total</b>	<b>1,918</b>	<b>6,852</b>	<b>44,826</b>	<b>45,473</b>	<b>7,703</b>	<b>8,465</b>	<b>17,329</b>	<b>17,611</b>

*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 2022	The Group Q1 2021
Milk	24,601	18,095
Cows and calves	2,810	2,038
Piglets and slaughter pigs	32,539	31,147
Crops	2,923	19,327
Other turnover	4,974	5,590
<b>Total</b>	<b>67,847</b>	<b>76,198</b>

# INVESTOR INFORMATION

## Basic data

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

## Contact us:

FirstFarms A/S  
Majsmarken 1  
7190 Billund

Group CFO Michael Hylgaard  
[mih@firstfarms.com](mailto:mih@firstfarms.com)  
+45 75 86 87 87

## Financial calendar

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

Find more information about FirstFarms here: [www.firstfarms.com](http://www.firstfarms.com)





# LET'S GROW TOGETHER

## VISION

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

## WHY

Based on professional management and best practice, we acquire, develop and operate our business in the area of agriculture and food products.

We ensure attractive return on the operation and increase in value for our investors. We are focused on risk diversification of products and branches of operation.

## 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.



