

INTERIM FINANCIAL REPORT FOR 1 JANUARY - 30 JUNE 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 emerged from the first half of 2024 with an acceptable result. We had a good six months in animal production, and increased the total turnover by 8 percent. However, crop production was challenged by low prices and limited rainfall to an extent, which means that we are adjusting the expectations downward for the year's result by 20 mDKK. The downward adjustment will not have impact on our long-term goals for growth. FirstFarms has a strong financial foundation and liquidity readiness."

LOW CROP PRICES AND LIMITED RAINFALL AFFECT THE EXPECTATIONS FOR 2024

The first half of the year shows an increase in turnover of eight percent and animal production performs satisfactorily and creates good results. However, difficult growing conditions in the crop production throughout Europe and low prices also affect FirstFarms' earnings.

Key figures H1 2024

FirstFarms has in the accounting period realised:

- A turnover of 220 mDKK (2023: 203 mDKK)
- An EBITDA of 65 mDKK (2023: 67 mDKK)
- An EBIT of 35 mDKK (2023: 42 mDKK)
- A result before tax of 18 mDKK (2023: 39 mDKK)

The increase in turnover of 8% compared to the same period last year is primarily due to increased sale of piglets from the newly built productions in Hungary.

FirstFarms' strategic business model with focus on efficiency in production, circularity, ownership of land as well as risk spreading across branches of operation and geography means that we deliver an acceptable EBITDA. However, earnings before tax are lower than last year, primarily as a result of a higher interest and inflation, which increases the costs.

The level of interest rate and financial costs are as expected. At the same time, we expect a decreasing interest level going forward.

Good stable milk prices

The price of milk remains high and has been slightly increasing in 2024, but is however not at the level of H1 2023 (DKK 3.27/kg against DKK 3.66/kg). Efficiency and productivity are at a high level, contributing to a production increase in the milk production in H1 2024 of 4% compared to H1 last year.

Overall, this results in turnover in the milk production of 59 mDKK in the first half of 2024 – the same level as in the first half of 2023.

FirstFarms builds dairy

In the autumn 2024, the construction of FirstFarms' first dairy will begin. It is being built in connection with the company's milk production in Plavecký Štvrtok, Slovakia. The dairy, which will begin production in 2025, will supply products to a number of leading food manufacturers via FirstFarms' new partner, Interfood from the Netherlands.

Good half year in the pig production

The market prices for piglets and slaughter pigs are at an acceptable level.

In H1 2024, the sales price of piglets was DKK 736/pcs. against DKK 676/pcs. in H1 2023, and for slaughter pigs DKK 15.64/kg against DKK 17.02/kg.

Pig prices have decreased since 1 July this year. The prices at the end of the year are expected to be at the current level.

Feed prices have decreased in H1 this year compared to the same period last year.

In H1 2024, the turnover of piglets and slaughter pigs has increased by 25 mDKK compared to the same period last year. The increase in turnover is due to FirstFarms' two new pig productions in Hungary.

Crops challenged in Europe

Crop production is challenged by difficult growing conditions and low prices throughout Europe. It affects earnings. However, we expect slightly increasing prices going forward. FirstFarms sells net 65 percent of the crop production. The remaining 35 percent is used for feed for our animals.

The harvest is not over yet but is characterised by geographical fluctuations in yield and quality, primarily as a result of limited rainfall.



A prerequisite for better results in the crop production going forward is higher prices and good growing conditions. Irrigation is one of the key words. FirstFarms' new irrigation system, which covers 1,300 hectares of the Group's land in Romania, came into operation at the beginning of June, and the results in irrigated fields are already significant, which will positively affect the harvest yield and quality. FirstFarms expects to expand the areas under irrigation in the future.

The land portfolio has become larger

During the period, FirstFarms has expanded its land portfolio by 325 hectares divided between acquisitions in Romania and Slovakia. The company operates a total of 17,000 hectares of land. FirstFarms considers agricultural land as an inflation proof real asset, and the company's agricultural land makes up a quarter of the balance sheet.

General focus areas 2024

FirstFarms has continuous focus on fully utilising the production capacity and on improving our circularity and efficiency in everything the Group does. High efficiency and circularity are essential prerequisites for meeting our own expectations for the year's result. The Group wants to create as much value as possible

in the circular operation and the value chains surrounding the company's products.

The journey towards an increasingly sustainable company continues with the reduction of emissions and preparation for CSRD and the EU taxonomy legislation, as well as a focus on implementing the right digital tools. FirstFarms continues to invest in facilities and machinery that support the sustainability agenda, which is an integrated part of everyday life in the Group.

Expectations to 2024

FirstFarms adjusts the announced expectations downwards by 20 mDKK for the year to an EBITDA in the level of 90 - 120 mDKK and an EBIT of 30 - 60 mDKK compared to a realised EBITDA of 101 mDKK and an EBIT of 50 mDKK in 2023.

We expect an increasing crop price for the rest of 2024, pig and milk prices at current levels. Pig prices and crop prices have in Q3, 2024 been decreasing and at the same time heat and limited rainfall have negatively affected the ongoing harvest.

FirstFarms' long-term goal is to increase the Group's

annual turnover to 750 mDKK and EBITDA to at least 240 mDKK in 2028.

Financial items

Net financial items are a cost of 17 mDKK against net 4 mDKK in 2023. The development in financial items is influenced by the fact that in 2023 there was a net income from hedging crops of 7 mDKK, where in 2024 there is a net income of 3 mDKK. Financial items are also affected by increased net interest-bearing debt.

The balance sheet

The balance sheet total for the group per 30 June 2024 amounts to 1,733 mDKK, which is an increase of 250 mDKK compared to the same period last year and 224 mDKK compared to 31 December 2023.

The main reason is increased cash holdings from the capital injection in Q1 2024 as well as seasonal fluctuations in inventory and biological assets.

Equity

During the period, equity increased by 96 mDKK, and in addition to the year's result and share emission in Q1 of 97 mDKK, FirstFarms bought own shares for 8 mDKK.



Cash flows

Cash flows from operations amount to 17 mDKK against 74 mDKK in 2023. The cash flows in 2023 were positively influenced by the payment of subsidies of 40 mDKK and larger sales of crops from previous harvest years. Cash flows from investment activity amount to 55 mDKK. The primary investment relates to irrigation in Romania and quarantine stable in Hungary.

Events after the balance sheet date

No events have occurred after the balance sheet date that are significant for the group's position as of 30 June 2024.

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 tDKK	Group H1 2024	Group H1 2023	Group Q2 2024	Group Q2 2023	Group 2023
Net turnover	219.7	203.1	115.8	93.7	461.6
Gross profit/loss	119.0	112.8	58.4	56.6	199.0
Result before depreciations (EBITDA)	65.0	66.6	28.7	33.4	101.2
Profit/loss from primary operations (EBIT)	35.3	42.3	13.1	20.8	50.1
Net financial items	-17.3	-3.7	-8.5	-2.0	-16.5
Profit before tax	18.0	38.6	4.6	18.8	33.6
Net profit	14.0	31.4	3.7	15.6	26.0
Non-current assets	1,242.1	1,151.0	1,242.1	1,151.0	1,227.3
Current assets	491.8	333.6	491.8	333.6	282.4
Total assets	1,733.9	1,484.6	1,733.9	1,484.6	1,509.7
Share capital	111.5	94.6	111.5	94.6	99.5
Equity	820.5	715.5	820.5	715.5	722.2
Non-current liabilities	725.5	486.4	725.5	486.4	655.0
Current liabilities	187.3	282.8	187.3	282.8	132.5
Net interest bearing debt	535.5	438.9	535.5	438.9	591.4
Cash flow from primary operations	42.0	83.7	6.2	30.5	113.6
Cash flow from operating activities	17.5	74.0	-6.4	25.0	103.5
Cash flow from investment activities, net	-55.2	-95.0	-27.0	-48.3	-195.0
Of which for investment in tangible assets	-60.3	-76.3	-32.1	-51.4	-187.1
Cash flow from financing activities	193.0	24.9	12.0	45.5	95.5
Total cash flow	155.3	3.9	-21.5	22.2	4.0
KEY RATIOS					
Gross margin	54.2	55.5	50.4	60.4	43.1
EBITDA margin	29.6	32.8	24.7	35.7	21.9
Operating margin	16.1	20.8	11.3	22.2	10.9
Solvency ratio	47.3	48.2	47.3	48.2	47.8
Earnings per share, DKK	1.3	4.0	0.3	2.3	2.7
Diluted earnings per share, DKK	1.2	3.0	0.4	2.0	2.7
NIBD/EBITDA	4.1	3.3	4.3	3.3	5.8
Return on shareholders' equity	3.6	11.9	1.9	13.9	4.2
Average number of employees	385	345	386	352	364



EXPECTATIONS

FirstFarms adjusts the announced expectations downwards with 20 mDKK to an EBITDA in the level of 90-120 mDKK, and an EBIT of 30-60 mDKK.

Announced expectations 2024 (mDKK)	EBITDA	EBIT
28 August 2024 (company announcement no. 10)	90-120	30-60
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 – 30 June 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 at 30 June 2024 and of the results of the Group’s operations and cash flows for the period 1 January – 30 June 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, den 28. august 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

INCOME STATEMENT tDKK	Group H1 2024	Group H1 2023	Group Q2 2024	Group Q2 2023	Group 2023
Net turnover	219,698	203,142	115,849	93,705	461,562
Public subsidies	37,614	31,447	23,164	17,161	62,242
Other operating income	2,823	2,241	1,388	986	15,331
Value adjustment of biological assets	8,445	14,896	-2,680	7,453	9,233
Total income	268,580	251,726	137,721	119,305	548,368
Cost of sales	-111,358	-104,403	-57,549	-42,073	-271,509
Other external costs	-38,176	-34,568	-21,790	-20,606	-77,815
Gross profit/loss	119,046	112,755	58,382	56,626	199,044
Staff costs	-54,032	-46,178	-29,726	-23,197	-97,802
EBITDA	65,014	66,577	28,656	33,429	101,242
Depreciations	-29,703	-24,239	-15,515	-12,600	-51,147
EBIT	35,311	42,338	13,141	20,829	50,095
Financial income	5,286	9,746	2,814	6,852	20,105
Financial costs	-22,581	-13,464	-11,344	-8,896	-36,639
Pre-tax result	18,016	38,620	4,611	18,785	33,561
Tax on net profit	-3,982	-7,230	-894	-3,201	-7,519
Net profit	14,034	31,390	3,717	15,584	26,042
Earnings per share	1.26	3.32	0.33	1.65	2.68
Diluted earnings per share	1.24	3.14	0.36	1.56	2.65
TOTAL INCOME STATEMENT tDKK	Group H1 2024	Group H1 2023	Group Q2 2024	Group Q2 2023	Group 2023
Net profit	14,034	31,390	3,717	15,584	26,042
Other total income					
Items that can be reclassified to the income statement:					
- Result minority interests	-487	0	-487	0	0
- Exchange rate adjustments by conversion of foreign units	-4,247	9,618	650	-1,266	3,854
Hedging instruments					
- Value adjustment for the period	0	-352	0	366	0
- Value adjustment of reclassified to financial items	0	837	0	433	-6,672
- Tax of other total income	0	-102	0	-168	1,401
Other total income after tax	-4,734	10,002	163	-635	-1,417
Total income	8,300	41,392	3,880	14,950	24,625

BALANCE SHEET

BALANCE SHEET ASSETS tDKK	Group H1 2024	Group H1 2023	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	477,111	469,206	474,449
Buildings	414,434	322,600	397,932
Plant and machinery	180,630	138,051	160,874
Fixtures and fittings, tools and equipment	14,552	12,014	13,003
Assets under construction and prepayment	3,094	84,587	54,002
Total tangible assets	1,117,672	1,026,458	1,100,260
Biological assets			
Basic herd	59,373	56,811	61,457
Total biological assets	59,373	56,811	61,457
Other non-current assets			
Other capital shares	45,063	45,114	45,063
Other receivables	0	5,273	0
Deferred tax assets	3,892	1,278	4,454
Total other non-current assets	48,955	51,665	49,517
Total non-current assets	1,242,083	1,151,017	1,227,317
Current assets			
Inventories	61,124	68,060	85,335
Biological assets – breeding and crops	163,835	170,601	97,153
Receivables from sale	38,627	25,058	28,792
Other receivables	37,452	39,194	33,182
Receivable corporation tax	4,429	0	2,275
Accruals and deferred expenses	5,185	3,401	9,755
Cast at bank and in hand	181,174	27,252	25,880
Total current assets	491,826	333,566	282,372
TOTAL ASSETS	1,733,909	1,484,583	1,509,689

BALANCE SHEET EQUITY AND LIABILITIES tDKK	Group H1 2024	Group H1 2023	Group 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	111,463	94,603	99,463
Reserve for exchange rate adjustment	-38,726	-24,861	-34,479
Reserve for cash flow hedge	0	4,402	0
Transferred result	747,808	641,322	657,212
Proposed dividend	0	0	0
Total equity ex. minority interests	820,545	715,466	722,196
Minority interests	487	0	0
Total equity	821,032	715,466	722,196
Liabilities			
Non-current liabilities			
Deferred tax	40,349	42,397	41,598
Credit institutions	522,541	387,120	537,748
Convertible bonds	88,881	0	0
Other debts	5,714	7,263	5,547
Accruals and deferred income	68,057	49,580	70,144
Total non-current liabilities	725,542	486,360	655,037
Current liabilities			
Credit institutions	103,353	145,326	70,306
Convertible bonds	0	22,351	0
Trade payables and other payables	77,872	103,723	57,033
Corporation tax	356	5,137	1,791
Accruals and deferred income	5,754	6,220	3,326
Total current liabilities	187,335	282,757	132,456
Total liabilities	912,877	769,117	787,493
TOTAL EQUITY AND LIABILITIES	1,733,909	1,484,583	1,509,689

EQUITY STATEMENT

EQUITY STATEMENT (condensed) tDKK	Group H1 2024	Group H1 2023
Equity 1 January	722,196	683,061
Result of the period	14,034	31,390
Other total income	-4,734	10,002
Conversion of bonds	0	0
Capital increase	96,923	0
Utilisaton of warrants	0	0
Warrants	573	0
Purchase of own shares	-8,447	0
Dividend	0	-8,987
Total income for the period	98,349	32,405
Equity 30 June	820,545	715,466

At the annual general meeting on 25 April 2023 and 16 April 2024, FirstFarms was authorised to acquire 10% of the company's own shares. In H1 2024, the company utilised this authorisation and acquired 105,000 own shares. The share buy-back programme is afterwards used to cover the warrant program, totally 97,000 shares. The stock of own shares is hereafter 8,000 pcs.

CASH FLOW STATEMENT

CASH FLOW STATEMENT tDKK	Group H1 2024	Group H1 2023
Pre-tax result (Int the parent company ex. result of subsidiaries)	18,016	38,620
Adjustments for non -monetary operating items etc.:		
Depreciation/amortisation	29,703	24,239
Reversal of profit, sale of non -current assets and badwill	-1,005	-1,402
Value adjustment of biological assets	-8,445	-14,896
Financial income	-5,286	-9,748
Financial costs	22,581	13,464
Sharebased remuneration	573	549
Cash flow generated from operations before change in working capital	56,137	50,826
Change in working capital	-14,165	32,849
Cash flow from main activities	41,753	83,675
Interest received	5,286	9,746
Interest paid	-22,581	-12,627
Paid corporation tax	-7,174	-6,834
Cash flow from operating activities	17,284	73,960
Purchase of shares in Agri Invest	0	-20,876
Sale of tangible assets, paid	5,097	2,147
Acquisition of tangible assets	-60,272	-76,294
Cash flow from investing activities	-55,175	-95,023
Paid dividend	0	-8,987
Buy-back of own shares	-8,447	0
Capital increase	96,923	0
Proceeds from taking up convertible bonds	88,881	0
Repayment of other debts	-7,336	-7,120
Proceeds from loans	39,596	73,433
Loan repayment	-16,651	-32,387
Cash flow from financing activities	193,185	24,939
Cash flow of the period	155,294	3,876
Available, at the beginning	25,880	21,860
Exchange rate adjustment of available	0	1,514
Available, at closing	181,174	27,250

SEGMENT INFORMATION H1 2024 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Other/ Non-allocated	Intercompany elimination	Total
Total turnover	2,685	121,331	58,138	52,101	5,719	-20,276	219,698
Production subsidies	10,088	23,149	2,734	1,643	0	0	37,614
Value adjustment of biological assets	2,500	3,671	4,062	-1,788	0	0	8,445
Earnings before depreciations (EBITDA)	6,688	34,361	21,274	6,766	-4,075	0	65,014
Depreciations	-6,096	-15,186	-6,681	-1,715	-25	0	-29,703
Earnings from primary operation (EBIT)	592	19,175	13,717	5,051	-4,100	0	34,435
Financial income	465	223	25	168	16,995	-12,590	5,286
Financial costs	-7,060	-9,474	-10,925	-1,094	-6,618	12,590	-22,581
Result before tax	-6,003	9,924	2,817	4,125	6,277	0	17,140
Assets	325,898	702,351	336,349	202,182	585,746	-418,617	1,733,909
Plant investments *)	22,451	24,555	9,364	3,902	0	0	60,272
Liabilities	251,009	405,370	327,904	67,375	277,020	-415,801	912,877

SEGMENT INFORMATION H1 2023 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Other/ Non-allocated	Intercompany elimination	Total
Total turnover	3,399	124,962	33,507	55,376	5,325	-19,427	203,142
Production subsidies	5,837	21,450	1,297	2,862	0	0	31,446
Value adjustment of biological assets	-2,608	13,401	3,590	512	0	0	14,896
Earnings before depreciations (EBITDA)	3,319	45,828	11,013	9,739	-3,322	0	66,577
Depreciations	-4,512	-14,326	-3,232	-2,145	-24	0	-24,239
Earnings from primary operation (EBIT)	-1,193	31,502	7,781	7,594	-3,346	0	42,338
Financial income	930	872	140	833	15,479	-8,508	9,746
Financial costs	-4,350	-6,221	-4,593	-1,147	-4,824	8,508	-12,627
Result before tax	-4,613	26,153	3,328	7,280	7,309	0	39,457
Assets	242,798	703,112	351,404	212,743	407,055	-432,895	1,484,217
Plant investments *)	5,425	18,002	51,218	1,649	0	0	76,294
Liabilities	158,998	397,089	334,648	82,280	224,325	-428,301	769,039

*) 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 H1 2024	Romania H1 2023	Slovakia H1 2024	Slovakia H1 2023	Hungary H1 2024	Hungary H1 2023	Czech H1 2024	Czech H1 2023
Milk	0	0	58,680	59,144	0	0	0	0
Cows and calves	0	0	4,860	5,459	0	0	0	0
Piglets and slaughter pigs	0	0	35,439	34,490	57,326	31,183	51,641	52,680
Crops	2,369	3,283	21,100	25,038	198	0	0	0
Other	316	116	1,252	831	614	2,324	460	2,696
Total	2,685	3,399	121,331	124,962	58,138	33,507	52,101	55,376

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	Group H1 2024	Group H1 2023
Milk	58,680	59,144
Cows and calves	4,860	5,459
Piglets and slaughter pigs	131,704	107,139
Crops	21,817	25,886
Other	2,637	5,514
Total	219,698	203,142

INVESTOR INFORMATION

Basic data

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

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

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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.

