

FirstFarms A/S meets the expectation to result of the year

Success in buying and sale of land

When FirstFarms on 25 March 2021 presents its financial statements for 2020 with the addition; 'the best result ever', it is to a great extent due to the company's ability to continuously develop, buy and sell land in Central Europe with solid returns.

In 2020, FirstFarms entered agreements to sell 1,675 hectares of land, to purchase 2,430 hectares and to lease 1,400 hectares. The portfolio of agricultural land now constitutes 21,900 hectares. The sales price of sold land is 51,000 DKK per hectare, corresponding to a profit of 25,000 DKK per hectare or a stand-alone return of 8% annually on the invested capital.

FirstFarms has since its formation in 2006 created value by buying up small land parcels at low prices, which have subsequently been systematically developed into larger well-run areas. Value creation is expressed when the land is sold, as FirstFarms does not measure the land at fair value. All owned land, of which most has been in ownership for several years, is booked at acquisition prices and not fair value.

"If we sell all our land, we can, based on an external assessment, obtain an additional price of 200 mDKK after tax as add on to the booked value. However, we have no plans to do so. On the contrary, in 2020 we expanded with 2,430 hectares of owned land and 1,400 hectares of leased land. Therefore, despite a divestment, we have expanded our land portfolio," says CEO of FirstFarms, Anders H. Nørgaard.

FirstFarms has a total land portfolio of 21,900 hectares, of which 11,100 hectares are owned agricultural land and 10,800 hectares are lease contracts.

"Purchase and sale of land is an important element of our risk diversification and one of the reasons why FirstFarms has a solid and healthy foundation, is growing and is in positive development, as you will see in the financial statements for 2020. Land has always been a good investment and will continue to be so in the future. "

FirstFarms meets the expectations

FirstFarms' EBITDA for 2020 constitutes 100 mDKK and EBIT 54 mDKK against the expectations of an EBITDA of 85 - 115 mDKK and EBIT of 35 - 65 mDKK.

Based on the result for 2020, the Board of Directors recommends the resumption of dividend payment.

Best regards,
FirstFarms A/S

For further information:

Please visit our website www.firstfarms.com or contact CEO Anders H. Nørgaard on telephone +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.