

# ANNUAL REPORT'23



*This annual report is composed in Danish and English. In case of doubt, in relation to interpretation, the Danish version takes precedence.*

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# OUR BUSINESS

# FIRSTFARMS IN SHORT

## THE VALUE CREATION



Land: 19,900 hectares  
hereof owned land: 8,500 hectares

Storage capacity:  
140,000 tons crops  
(incl. silage)



3,000 cows  
2,400 young stock  
33,700 tons milk

6,600 sows  
235,000 piglets  
100,000 slaughter pigs



# FIRSTFARMS IN SHORT

## PRESENTATION OF GEOGRAPHY

FirstFarms was listed in 2006 and the ambition is to develop into one of Europe's best operated and most profitable companies in the area of agriculture and food products. We are 398 employees working in a Group function and four branches of operation. The Group operates on 20 locations in five EU countries. We are on an ambitious journey of growth, based on our "Strategy 2028" and its objectives.

- DENMARK**  
Group management, finance and business development.
- CZECH REPUBLIC**  
Crop production: 1,150 hectares.  
Pig production: 70,000 slaughter pigs.
- SLOVAKIA**  
Milk production: 3,000 milking cows, 2,400 young stock.  
Crop production: 9,300 hectares, excl. 1,400 hectares of meadows.  
Pig production: 2,300 sows, 73,000 piglets, 30,000 slaughter pigs.
- HUNGARY**  
Pig production: 4,300 sows, 90,000 piglets (162,000 piglets in 2024).  
Crop production: 400 hectares.
- ROMANIA**  
Crop production: 5,300 hectares\* (6,400 hectares in 2024).  
*\*\*In addition, 1,250 hectares in indirect ownership.*



## THE MANAGEMENT REPORTS:

# 2023 AND LARGE CAPITAL INJECTION PAVES THE WAY FOR **STRONG GROWTH**

With a turnover increase of 10 percent and a result within the range of the announced expectations, FirstFarms A/S delivered at a satisfactory level in 2023. It was also the year, where the strategic and organisational foundation was laid to grow the Group to double size in five years. Recent capital injection of 186 mDKK strengthens FirstFarms for the task.

In 2023, FirstFarms delivered a turnover of 461.6 mDKK, an EBITDA of 101.2 mDKK, and an EBIT of 50.1 mDKK. Thus 2023 became the expected, excellent, middle year with earnings in the lower range of the announced expectations for the year.

As expected, 2023 was a challenging year. The general cost level was higher than the previous year. High inflation led to higher purchase and feed prices, while milk and crop prices fell as expected in the first half of the year. Factors out of our control.

When we still achieve a satisfactory result, it is a combination of high milk and pig prices and stable, efficient and circular operations. When we produce circularly - a holistic approach where resources and processes are connected and optimised to create a more sustainable and efficient production - it gives control over own value chains. Factors in our control of.

### **Great team**

Risk diversification, which has become our positive brand, is once again a key factor in our ability to deliver positive results. Risk diversification is part of our DNA and gives us the resilience needed.

Our 398 employees once again delivered a great and dedicated effort. This was not a "middle year" - quite the contrary. We have a great team with a mix of many years of experience and younger talents, as well as a high level of diversity.

We can see that FirstFarms anno 2024 attracts highly competent leaders from the industry, just as we manage to develop our own great talent.

We have come a long way in recent years.

### **High level of activity**

2023 was a wide range of activities. Our new pig production facilities in Hungary were taken into use. The work on establishing a large irrigation system in Ro-

mania progressed according to plan. In Romania, we also expanded our land portfolio in operation with 1,000 hectares - ready for 2024.

The work continued on integrating HunAgro in Hungary, which we acquired in 2022. The transition to green energy gained momentum with the installation of solar panels on many of our farms, while thorough investigations into the possibility of starting biogas production continued. Continuing to upgrade the health and biosecurity of our animal production was also a prioritised activity in 2023.

### **Preparing for growth**

In 2023, we reassessed our 'Vision 2027' and after many months of hard work, at the turn of the year we presented our ambitious successor, 'Strategy 2028', to ensure our continued journey of growth.

Over the next five years, we will primarily execute within four focus areas; "Continuous growth", "Next level farming", "The sustainability journey" and "People & Culture".

As part of our strategy work, we have set ourselves the goal of increasing the Group turnover to 750 mDKK and EBITDA to 240 mDKK.

In 2023, we made a number of organisational changes and a new broad distribution of responsibilities and tasks, which indicates that the organisation is geared and ready for the current growth task

### **2024 will be an exceptionally exciting year**

The goal in 2024 will be to increase turnover and earnings significantly compared to 2023. The year where we already have to prove that the focus areas, action points and objectives defined in "Strategy 2028" are the right ones and are realistic, so FirstFarms will have more than doubled EBITDA, when we present our 2028 accounts. Therefore, 2024 will also be the year where we take a number of actions that will have a significant impact on our future development and growth.

On 29 February 2024, we were proud to announce that we secured a large capital injection. The Heartland Group invested 186 mDKK in FirstFarms. With the capital injection, in the form of a directed share issue and issuance of convertible bonds, we are now even better equipped to execute on "Strategy 2028". The additional funds are intended for development and growth, and it is with great pleasure that we have welcomed the Heartland Group into the circle of owners.

### **We see returns on investments**

2024 will be the year in which we for the first time will see the benefits of the major investments made in both 2022 and 2023. Our two new pig producti-





ons in Hungary were 100% operational by the end of the year. In 2024, we will see the full return on the investment.

In Romania, which has experienced very limited precipitation in recent years, we now have 20% of our fields under irrigation. We expect the investment to reflect its value in the ability to grow high-value crops and the income it generates.

We are fully aware that the world we operate in - with unsettled geopolitics, war, inflation, interest rates, climate challenges and more - requires special precautions and responsible actions and operations. For the sake of ourselves, our shareholders and the world around us.

There will continue to be focus on every single cost and investment - is it a necessity? Is it value-creating?

Does it bring us closer to our goal?

We must continue to look at efficiency and value chain - cost per unit produced with a focus on reducing costs and increasing efficiency, taking climate and animal welfare into account.

We work every day to create a more sustainable company. This is one of our four focus areas. Green transition and emission reductions will continue in 2024. New initiatives that contribute to a better climate will be launched, and it will probably be in 2024 that we will decide whether to start biogas production.

**We act**

FirstFarms has a strong foundation, the road is paved and we will make things happen in 2024.

Let us emphasise once again that we must develop

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

Thank you for your interest, support and trust.

Best regards

Henrik Hougaard  
Chairman

Anders H. Nørgaard  
CEO





# THE BUSINESS MODEL

## - VALUE CREATION

**FirstFarms is a listed agricultural company in the area of agriculture and food products**

The business consists of four branches of operation: crops, milk, pigs and development of the land portfolio.

### KEY RESOURCES

#### Human resources

398 employees are the core of FirstFarms' development and success.

#### Natural resources

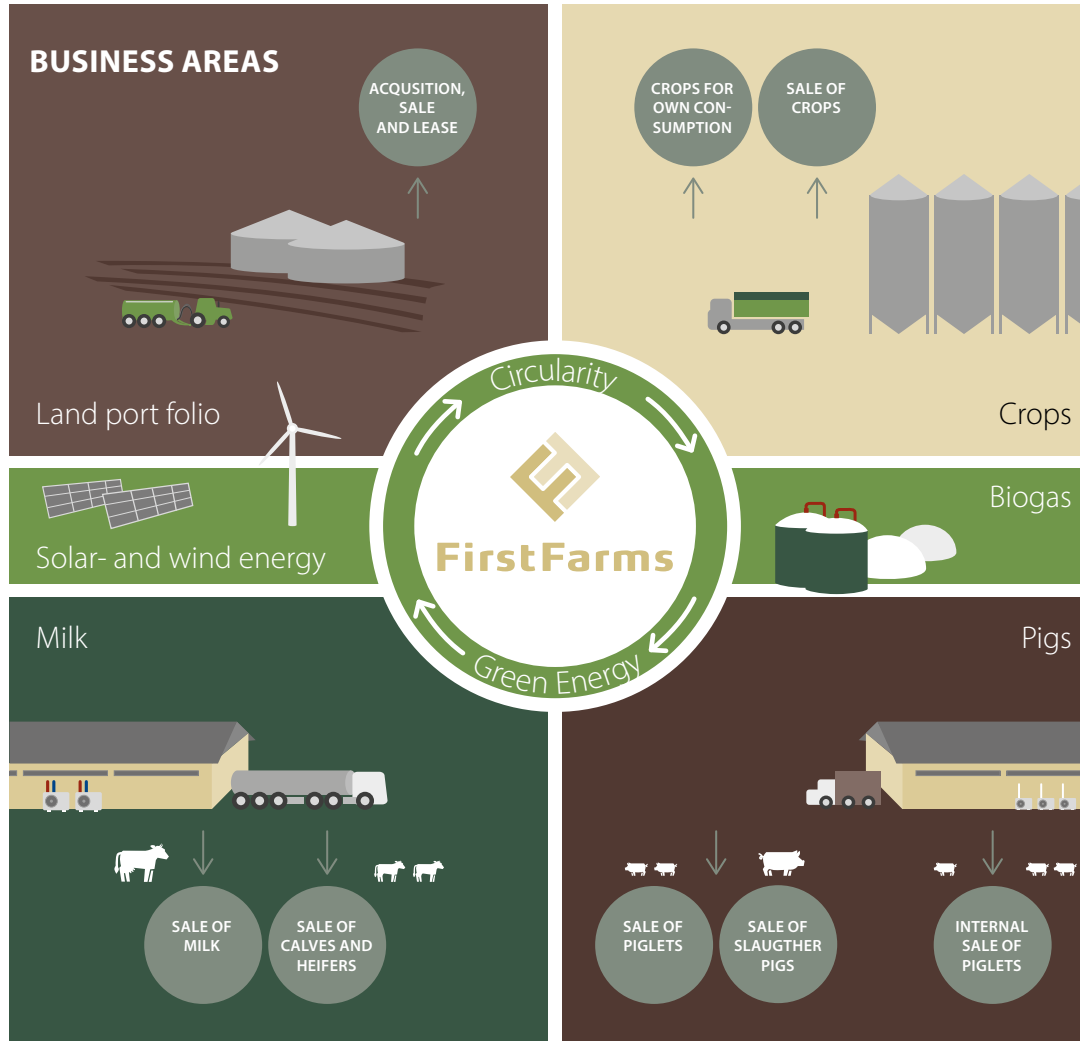
The company is dependent on natural resources such as land, water and ecosystem..

#### Financial strength

We are a strong company with access to a wide segment of financing options as well as own financial resources.

#### New technologies and "know-how"

In the production, we use the newest technologies and know-how to improve operating results, ensure efficient use of resources and high quality of our products.



### VALUE CREATION

#### The employees

We strive to improve the working conditions to be able to offer employees an attractive and safe workplace.

#### The customers

We are close to our customers and deliver high quality products.

#### Community

FirstFarms works every day to create a more sustainable business. The investments are long-term and based on active ownership. FirstFarms strives to engage in the local communities, create jobs and contribute to local growth.

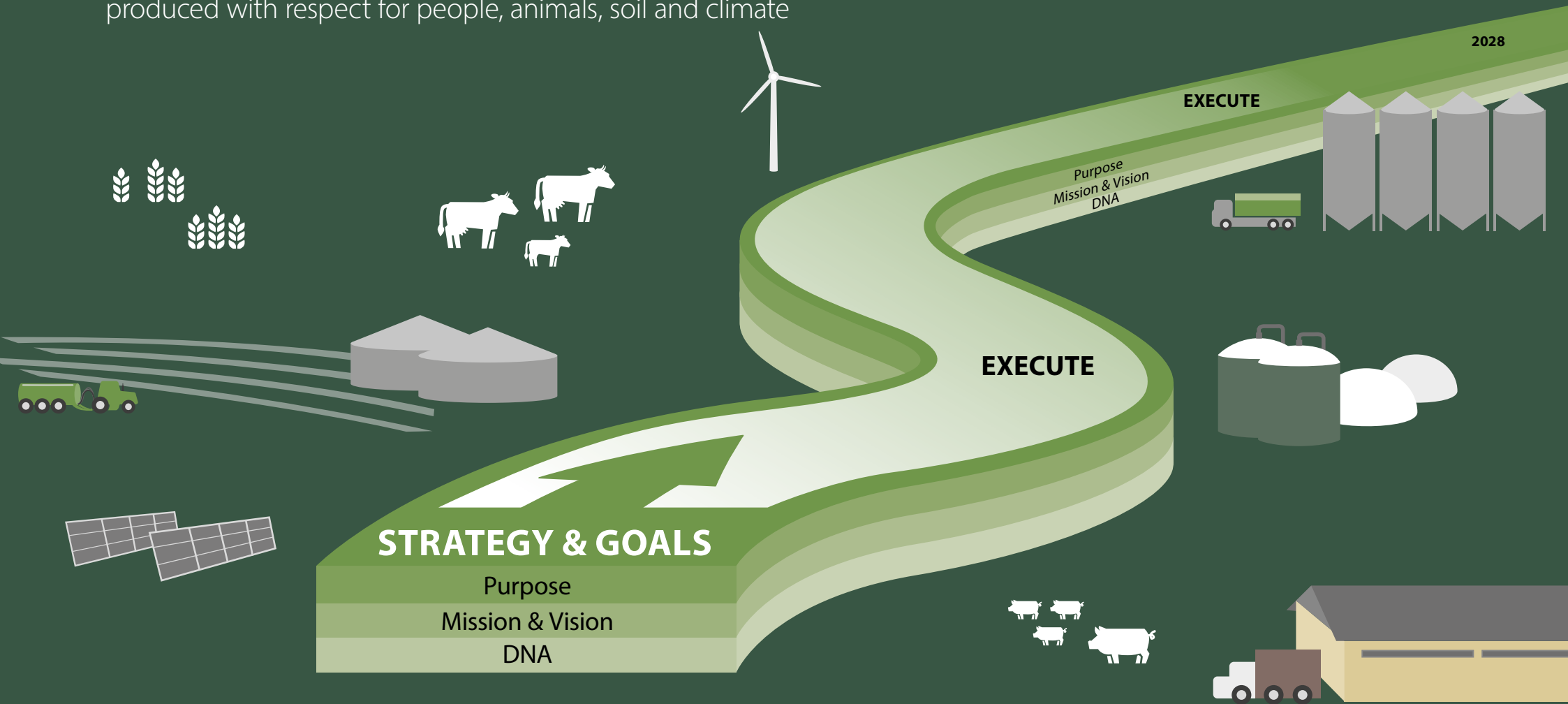
#### The shareholders

We ensure our investors attractive return on operations and increase in value, and we have focus on risk diversification on land, geography, products and branches of operation.

We offer investment in agricultural land, which is a cyclically robust real asset.

# FIRSTFARMS' FOUNDATION AND PATH TOWARDS 2028

We contribute to a healthier world with food products, which are produced with respect for people, animals, soil and climate



STRATEGI 2028:

## 2023 WAS THE STARTING POINT FOR **100% GROWTH**

FirstFarms has implemented a 2028-strategy, which is to increase the Group's turnover and earnings significantly in five years.

In December 2023, FirstFarms revealed the Group's ambitious goal of growing the company to double its size in five years.

FirstFarms will increase the turnover to 750 mDKK in 2028. At the same time, the Group shall improve the profitability and increase EBITDA to more than 240 mDKK in the same period, resulting in increased EBITDA margin. FirstFarms also aims to distribute at least 30 percent of the profit after tax, either as dividend to the shareholders or through share buy-back.

The foundation for the ambitious goals is "Strategy 2028", which was prepared in the second half of 2023.

### **Four focus areas**

The strategy is the guide that provides insight, ensures focus and creates clarity about goals, means and not least the great importance that the individual units' contributions have for FirstFarms' continued growth, which must be organic supplemented with acquisitions.

The strategy is based on four strategic areas that will be the primary focus in the coming years:

- People & Culture
- Next Level farming
- Continuous growth
- The sustainability journey

For each of the four strategic focus areas, a number of prioritised topics and underlying concrete actions have been defined to execute on the next five years of growth.



## STRATEGY 2028:

### Focus areas and priorities

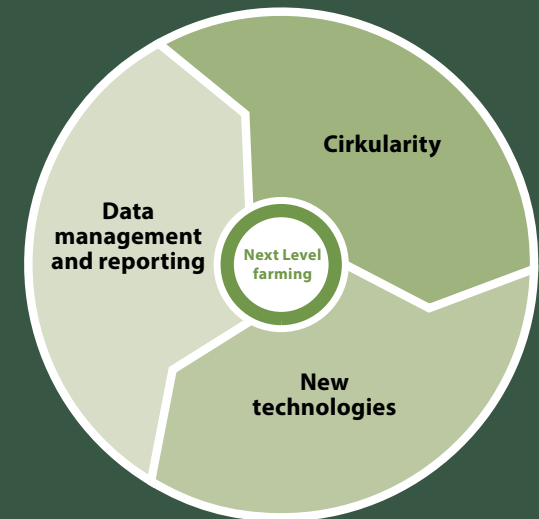
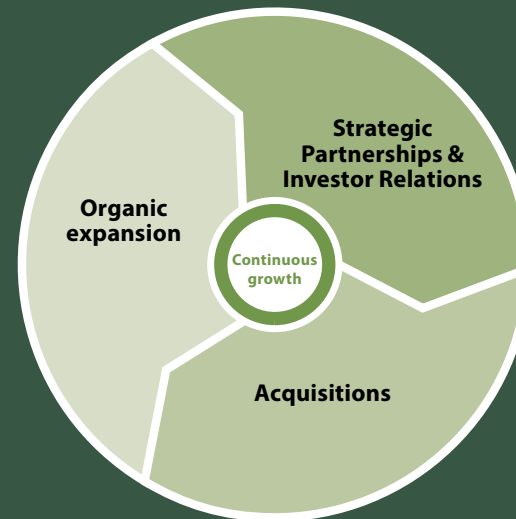
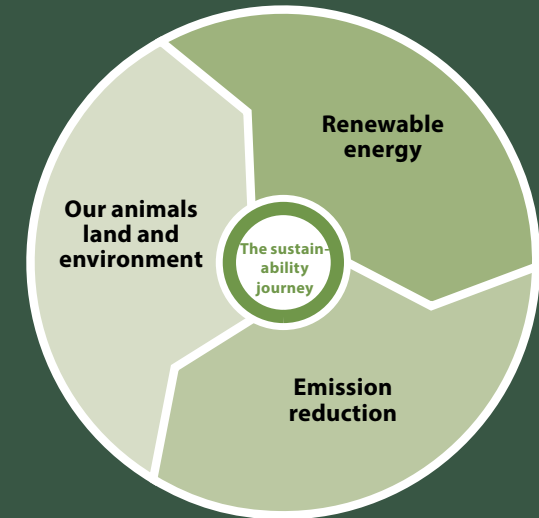
In the focus area "People & Culture", we work on competence development, knowledge sharing and initiatives to make FirstFarms an even better workplace.

In "Next Level farming", for example, initiatives are executed that optimise the use of data, initiatives in precision farming and initiatives to reduce the group's resource consumption.

"Continuous growth" offers concrete initiatives that ensure the development of the existing business areas. Initiatives that increase the value chain and bring FirstFarms closer to the consumers. As well as initiatives to ensure that the group becomes better at identifying and seizing new opportunities that create value.

Within "The sustainability journey", initiatives are executed to ensure that the individual farms have optimal relations with local authorities and citizens. Initiatives to support the green transition and the development of renewable energy sources.

FirstFarms has built a strong business model with a proven and responsible distribution of risks. This has created the solid, healthy financial foundation and the organisation, which together with the content in "Strategy 2028" shall contribute to reach the financial goals.



# 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.



## LAND VALUE:

# THE LAND VALUE INCREASES AND THE TOTAL EQUITY PASSES 1 BILLION DKK

FirstFarms owns land for more than 750 mDKK including a non-booked added value of more than 350 mDKK.

FirstFarms' total equity reaches 1 billion DKK. This corresponds to a value per share of 100 DKK - corresponding to a Price / Net Asset Value of 0.67 at the end of 2023. The total equity is composed of the booked value of equity and assessed added values on land less deferred tax.

In 2023, the value of the land has increased by 49 mDKK, which can be added to our profit before tax of 34 mDKK. Altogether, this gives a total value creation before tax of 83 mDKK

### **The ability to generate cash flow enables growth**

"We are proud of the cash flow that the company generates from operations. In 2023, FirstFarms generated 104 mDKK in cash flow from operating activities compared to 70 mDKK in 2022. The positive development strengthens the good cooperation we have with our financial partners," according to Søren Sjørup Kristensen, Group Finance Director, FirstFarms.

In 2023, FirstFarms achieved an improved structure and terms for bank debt in Slovakia based on the strong cash flow and inflation-proof fixed assets. At the end of 2023, unutilised credit lines and free liquidi-

ty available totalled 140 mDKK to be used for growth of the Group in line with the objectives set out in "Strategy 2028". The repayment profile on land loans is now more than 30 years in Slovakia.

### **Land is the shareholders safety net**

Historically, land is an inflation-proof investment that has increased in value over time. At the same time, land has a high ability to be converted into cash.

A large part of the value added that FirstFarms creates, happens through increases in our land values. In 2023 alone, this value added is 49 mDKK. This cannot be seen in the company's income statement or balance sheet, but is disclosed in the accounts every year. The land values are documented with valuers' assessments at the same time as transactions carried out at the same level by the company.

At the end of 2023, FirstFarms has added values of over 350 mDKK, which should be added when assessing the value of the company. Current accounting policies and standards do not allow the values to be revalued through the income statement in the financial statements.

# HIGHLIGHTS 2023

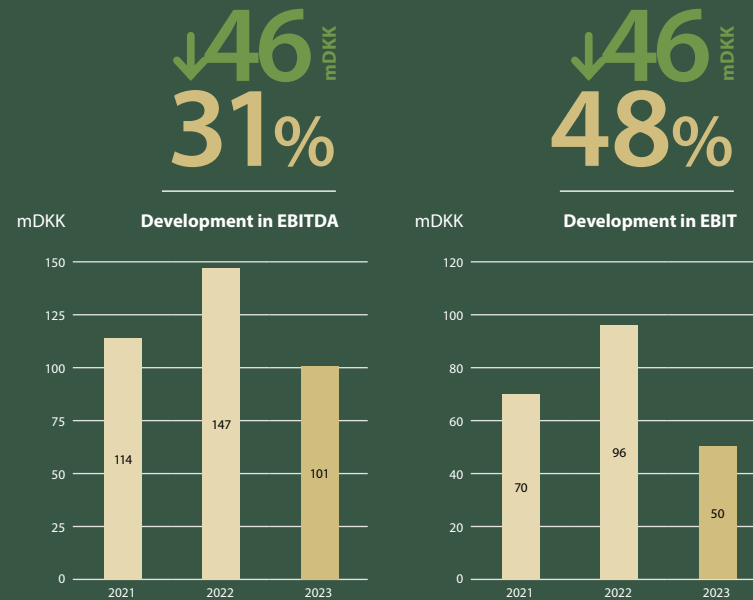
2023 presented a satisfactory result in the most challenging market in years. A year that also showed a wide range of significant activities and initiatives. Here are a number of highlights that are elaborated on elsewhere in the annual report.

## INCREASES THE LAND VALUE

In 2023, the value of FirstFarms' land has increased 49 mDKK, which can be added to our profit before tax of 34 mDKK. Overall, it gives a real value creation before tax of 83 mDKK. FirstFarms has land for more than 750 mDKK, including an unrecognised added value of more than 350 mDKK.

## THE GOOD NEIGHBOURLINESS

FirstFarms helps and actively participates in the local communities we are part of. Good neighbourliness is an important priority and the interest is returned. This resulted, among other things, in 3,200 visitors of all ages when we held an open house for a few days in June at our farm in Plavecký Štvrtok, Slovakia



## THE ROAD IS PAVED FOR AMBITIOUS GROWTH

We have developed Strategy 2028 and thus the path we will take over the next five years. We have selected the priorities and initiatives that will lead us to fulfil our ambition of increasing revenue and EBITDA in 2028 to 750 mDKK and 240 mDKK, respectively.

## REASONABLE MILK AND PIG PRICES

Animal production was the stable factor in 2023, where the negative impact of low crop prices and yields being offset by reasonable and stable pig and milk prices. Milk turnover decreased slightly, while piglet and slaughter pig turnover increased compared to 2022.

## LARGE IRRIGATION PROJECT

In Romania, we completed a large irrigation project and by May 2024, we have 1,350 hectares, corresponding to 20% of our Romanian land, under irrigation. The investment provides crop security and the opportunity to grow high-value crops.

## THE TURNOVER INCREASED IN 2023

In 2023, FirstFarms realised a result as expected based on the challenging conditions the Group has operated under. The result is created by a stable, efficient, circular operation and the risk diversification, which is a positive characteristic of the Group. Turnover increased by 10% compared to 2022.

## FOCUS ON GREEN TRANSITION

The installation of solar panels continued and we now have solar panels on most production properties in the Czech Republic, Slovakia and Hungary and at our crop centre in Romania. In terms of area, our solar cells cover the equivalent of two hectares.



# FINANCIAL HIGHLIGHTS AND KEY RATIOS

Financial highlights for the Group (mDKK)	2023	2022	2021	2020	2019
<b>Net turnover</b>	<b>461.6</b>	<b>418.4</b>	<b>369.5</b>	<b>312.6</b>	<b>328.1</b>
Gross profit/loss	199.0	231.1	184.2	168.2	154.5
<b>Result before depreciations (EBITDA)</b>	<b>101.2</b>	<b>146.6</b>	<b>113.7</b>	<b>100.2</b>	<b>95.6</b>
<b>Result from primary operations (EBIT)</b>	<b>50.1</b>	<b>95.9</b>	<b>69.9</b>	<b>54.2</b>	<b>48.4</b>
Net financial items	-16.5	-12.4	-24.0	-22.8	-19.4
Profit before tax	33.6	83.6	45.9	31.4	29.0
<b>Net profit</b>	<b>26.0</b>	<b>65.5</b>	<b>34.8</b>	<b>24.8</b>	<b>22.4</b>
Proposed dividend	0.0	9.0	6.7	5.7	0.0
Non-current assets	1,227.3	1,048.7	834.7	954.1	849.3
Current assets	282.4	292.8	263.8	187.9	222.8
<b>Total assets</b>	<b>1,509.7</b>	<b>1,341.5</b>	<b>1,098.5</b>	<b>1,142.0</b>	<b>1,072.1</b>
Share capital	99.5	94.6	78.6	75.7	63.2
<b>Equity</b>	<b>722.2</b>	<b>683.1</b>	<b>530.1</b>	<b>483.5</b>	<b>392.3</b>
Non-current liabilities	655.0	404.3	327.7	465.0	433.1
Current liabilities	132.5	254.1	240.7	193.4	249.7
<b>Net interest-bearing debt*</b>	<b>591.4</b>	<b>501.7</b>	<b>390.1</b>	<b>520.4</b>	<b>546.9</b>
<b>Cash flow from primary operation</b>	<b>133.6</b>	<b>89.7</b>	<b>77.7</b>	<b>79.6</b>	<b>101.0</b>
Cash flow from operating activity	103.5	69.8	46.3	47.2	78.1
Cash flow from investment activity, net	-195.0	-245.4	109.7	-13.2	-85.8
Of which for investment in tangible assets	-187.1	-213.4	-72.8	-93.6	-89.5
Cash flow from financing activity	95.5	120.0	-86.2	-29.3	7.1
<b>Total cash flow</b>	<b>4.0</b>	<b>-55.6</b>	<b>69.7</b>	<b>4.7</b>	<b>-0.6</b>
<b>Key ratios for the Group</b>					
Gross margin	43.1	54.2	49.9	53.8	47.1
<b>EBITDA margin</b>	<b>21.9</b>	<b>35.0</b>	<b>30.8</b>	<b>32.1</b>	<b>29.1</b>
Operating margin	10.9	22.9	18.9	17.4	14.8
Solvency ratio	47.8	51	48	42	37
<b>Result per share, DKK</b>	<b>2.68</b>	<b>7.56</b>	<b>4.51</b>	<b>3.57</b>	<b>3.55</b>
Diluted result per share, DKK	2.65	6.60	4.06	3.36	3.33
<b>Divided per share, DKK</b>	<b>0.00</b>	<b>0.95</b>	<b>0.85</b>	<b>0.75</b>	<b>0.0</b>
NIBD/EBITDA	5.9	3.4	3.4	5.2	5.7
Return on equity	4.2	10.8	6.9	5.7	5.9
EBITDA	364	328	318	334	309

\*) Interest-bearing debt minus cash and cash equivalents.

# FINANCIAL HIGHLIGHTS AND KEY RATIOS



## Key ratios for the Group

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33. Other financial ratios are calculated in accordance with the Danish Finance Society's "Recommendations and Financial Ratios". The financial ratios stated in the consolidated financial statement and in the annual report have been calculated as follows:

Gross margin

**EBITDA margin**

Operating margin

Solvency ratio

**Result per share**

Diluted result per share

**Dividend per share**

NIBD/EBITDA

Return on equity

EBITDA

(Gross profit/loss x 100) / Net turnover

**(EBITDA x 100) / Net turnover**

(Profit/loss from primary operation x 100) / Net turnover

(Equity x 100) / Total assets

**Net profit / Number of shares**

Adjusted result / Diluted number of shares

**Proposed dividend / Average number of shares**

Net interest-bearing debt/EBITDA

(Net profit x 100) / Average equity

Profit/loss from primary operation(EBIT) added depreciations





*“With the strong performance in recent years, we have improved the financing structure and terms in Slovakia. The new financing is with significantly improved instalment profiles. We are in a strong position and seize the opportunities that arise - we are well equipped for the growth in respect of our Strategy 2028”.*

MICHAEL HYLDGAARD, GROUP CFO

FINANCIAL REVIEW:

## SATISFACTORY EARNINGS IN A CHALLENGING YEAR

FirstFarms delivers stable earnings in 2023 within the announced expectations, and thereby reaches the Group’s second best operating result (EBITDA) ever. Value adjustment of biological assets amounts to 11 mDKK in 2023 compared to 47 mDKK in 2022.

The group’s profit after tax amounts to 23 mDKK compared to 65 mDKK in 2022.

EBITDA and EBIT amount to 101 mDKK (2022: 147 mDKK) and 50 mDKK (2022: 96 mDKK), respectively. At the beginning of 2023, the expectations for EBITDA and EBIT were 90-120 mDKK and 45-75 mDKK, respectively.

FirstFarms thus achieves a result within the announced expectations at the beginning of the year.

Overall, revenue has increased by 43 mDKK compared to 2022 - corresponding to 10 %.

Announced expectations 2023		
mDKK	EBITDA	EBIT
24 March 2023	90-120	45-75

## FINANCIAL REVIEW:

# SATISFACTORY EARNINGS IN A CHALLENGING YEAR - CONTINUED

### Pig production

In 2023, FirstFarms has maintained the high efficiency level in the pig production.

At the same time, pig prices have been higher than in 2022 - and more stable. The stable prices entail that there is no significant change in the fair value adjustment for pigs this year.

Feed and energy costs were lower than the record high level in 2023.

Revenue from pigs has increased by 40 mDKK, which is primarily driven by higher prices.

The expansion in Hungary has not affected the turnover in 2023, as the first pigs are delivered early 2024, however the result in 2023 is negatively affected by 10 mDKK in start-up costs.

### Milk production

The price of milk dropped as expected in the beginning of 2023 and then stabilised at a satisfactory but still high level. Production remained at a high and stable level, although the quality of feed was affected by the lack of precipitation in 2022. Efficiency in milk production has been stable.

Overall, the turnover on the milk production is reduced by 3 mDKK - which can be explained by lower prices.

### Crop production

Turnover in crop production has been lower than expected and particularly affected by lack of trade with crops in Romania. Harvest yield has been low in Romania in both 2023 and 2022 due to minimal precipitation.

In addition, sales prices have been lower than in 2022. The lower yields and prices are partly offset by the fact that in 2023, crops from the 2022 harvest have been sold at 2022 prices.

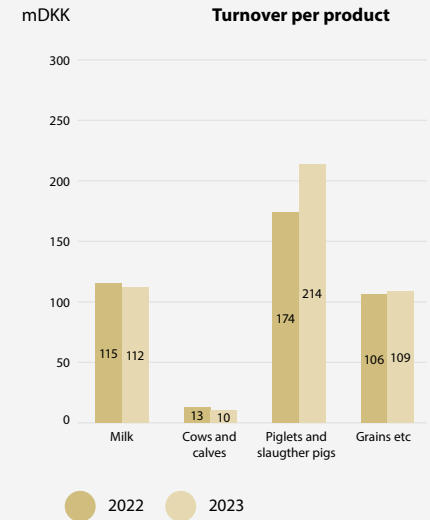
Field input costs have generally been higher in 2023 than in 2022.

The turnover on crops has increased overall by 3 mDKK compared to 2022.

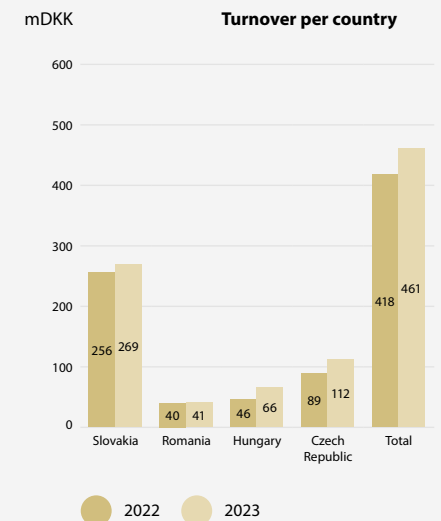
### Earnings and turnover

EBITDA for 2023 amounts to 101 mDKK. This is a reduction of 46 mDKK.

As a result, the EBITDA margin is reduced to 22%, corresponding to 13%-points. This was expected due to



↑ 43 mDKK  
10%



## FINANCIAL REVIEW:

# SATISFACTORY EARNINGS IN A CHALLENGING YEAR - CONTINUED

the volatile market, which FirstFarms has operated in, the high feed and input prices in 2023 and due to the start-up of a new larger production unit in Hungary. But it is not a satisfactory development seen on its own.

However, the 2023-result is overall a tangent of the second best operating result (EBITDA) in FirstFarms' history, when corrected for 10 mDKK in operating loss at the start-up of the new pig production in Hungary.

The business model with risk diversification across different branches of operation works, and therefore the Group is able to continue a positive trend in earnings and generate a satisfactory cash flow from operations.

The increasing interest rates during 2023 also have an effect for FirstFarms. At the end of the year, FirstFarms has reorganised the financing of the activities in Slovakia and, in connection with this, redeemed the interest hedge regarding the part of the long-term debt. This has resulted in a positive one-off effect under financial items with 4 mDKK.

### Balance sheet

The Group's land portfolio is recognised at cost price.

### Land

constitutes 32% of the Group's total assets. FirstFarms considers land as a stable asset, which protects FirstFarms against inflation.

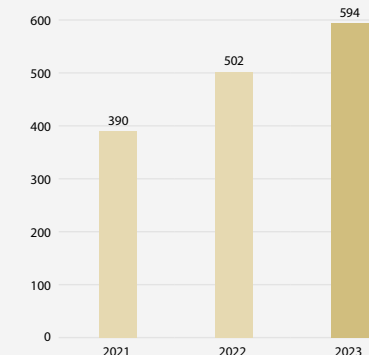
In 2023, there is a reduction in the total capital tied up in biological assets and inventories. This is due to the fact that inventories in 2023 are significantly reduced compared to 2022. Partly, the prices of crops at harvest time are lower and partly there are less crops in stock compared to 2022. Biological assets have increased compared to 2022, which is primarily due to more pigs in the stables in Hungary and partly higher prices on pigs and cattle. The total value of biological assets and inventories is 244 mDKK in 2023 compared to 257 mDKK in 2022.

Investments are continuously made within all branches of operation, which is crucial for FirstFarms to maintain the risk balanced model within branches of operation and geography. In 2023, the expansion of the production in Hungary with 2,000 sows was finalised.

This is expected to increase production annually by 72,000 piglets with full effect in 2024. The first piglets were delivered in early January 2024.

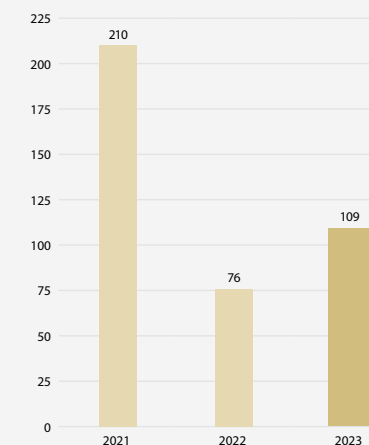
↑ 92 mDKK  
18%

mDKK Development in net-interestbearing debt



↑ 33 mDKK

mDKK Development in free cash flow



## FINANCIAL REVIEW:

# SATISFACTORY EARNINGS IN A CHALLENGING YEAR - CONTINUED

In addition, the Group has until May 2023 acquired a total of 10% of the shares in Agri Invest A/S, with activities in Romania. The company owns 10,500 hectares, the total investment amounts to 45 mDKK as of 31 December 2023.

Equity has increased due to the result for the year and conversion of bonds. The total increase of the equity amounts to 36 mDKK, of which the conversion of bonds accounts for 22 mDKK. The Group will therefore end up with an solvency ratio of over 48% at the end of 2023.

FirstFarms expects to initiate buyback of up to 105,000 shares to cover our obligation in connection with our warrant program.

### Cash flow

Cash flow from operating activities in 2023 was 104 mDKK - increased from 70 mDKK in 2022. Sale of assets amounted to 5 mDKK - compared to 6 mDKK in 2022.

FirstFarms' net interest-bearing debt has increased from 502 mDKK to 594 mDKK - an increase of 92 mDKK. The most significant investments are related to the expansion of the production with 2,000 sows in Hun-

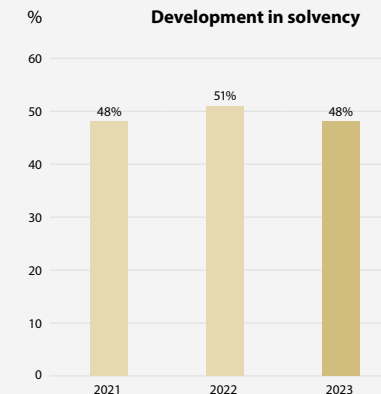
gary. In addition, investments have been made in irrigation systems in Romania covering 1,350 hectares of agricultural land.

In 2023, FirstFarms has improved structure and terms for bank debt in Slovakia. Thus, long-term financing is obtained with a total of 225 mDKK - with a repayment profile of 30 years, investment frames of 38 mDKK and operating credits totalling 85 mDKK.

At the end of 2023, unutilised credit lines and free liquidity available totalled 140 mDKK.

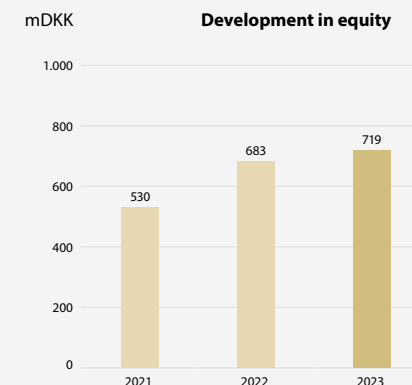
↑ 3%

Development in solvency



↑ 36 mDKK  
5%

Development in equity







MILK:

## ANOTHER GOOD YEAR FOR MILK

Milk price and production kept the high 2022 level in 2023.

In 2023, FirstFarms matched the record year 2022 in milk production, which is the Group's stable engine. However, in the last two years, productivity and milk prices have increased to a new high level.

FirstFarms delivered 33.7 million kg milk in 2023 compared to 33.4 million kg in 2022.

After a drop in price at the beginning of 2023, prices increased again and stabilised at a reasonably high level. The average milk price in 2023 ended at 3.30 DKK/kg compared to 3.44 DKK/kg the year before.

Overall, this has resulted in a turnover in milk production of 112 mDKK in 2023 compared to 115 mDKK in 2022, corresponding to a turnover reduction of 3%.

The herd totalled at the end of 2023:

- 3,000 dairy cows, which is identical to 2022
- 2,400 young stock, which is identical to 2022

### Increase in milk price

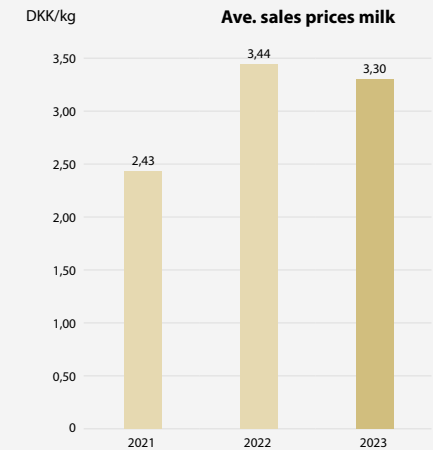
2024 has started with a slight increase in the milk price. Feed costs have decreased slightly and all other costs are more or less stable. We have a high health status in the herd.

### New opportunities

The Group's goal is to continue to improve both efficiency and productivity and increase the value chain around the milk. FirstFarms is currently exploring new opportunities to develop and expand the milk production.

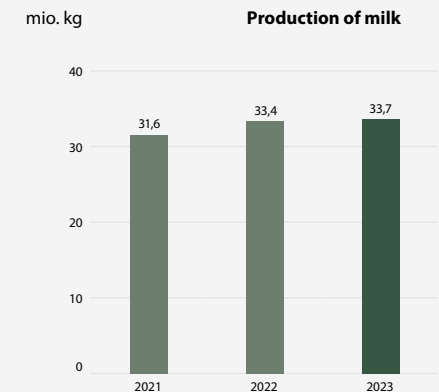
## Development in milk price

↓ 4%



## Development in production

↑ 1%





LAND:

## THE LAND BUSINESS IS **FIRSTFARMS' SAVINGS**

Ownership, operation and trade with land is one of the foundations in FirstFarms, and land constitutes 32% of the Group's total asset of 1.5 billion DKK

Land is booked at cost price, and FirstFarms considers land as a stable asset, an inflation proof investment and the shareholders' savings. Return on investments are increasing in the four countries FirstFarms operates in.

There is more than 350 mDKK in unrecognised added value on land, which can be added to the value of FirstFarms and which helps to stabilise the already healthy financial foundation even more.

### **More passive investments**

In the spring 2023, FirstFarms made further land investments through purchases in Agri Invest A/S, so FirstFarms' ownership at the end of the year was 10%. FirstFarms acquired the first shares in the company in July 2022.

FirstFarms' purchase of shares in Agri Invest is a passive and long-term investment in line with the company's strategy of continuous purchase, optimisation and sale of land. Agri Invest owns 10,500 hectares of land with conventional crops on three locations in Romania. It is a company with exciting potential.

### **Focus on soil improvement and compaction**

FirstFarms purchases or rents larger areas divided into smaller fields, and focuses on soil improvement and compaction of the soil in current areas, as well as expansion in areas with potential good compaction and high quality close to current operation centres. FirstFarms also has a strong focus on the average field size.

Good, healthy soil is a prerequisite for optimal circular farming.

At the same time, developed land that is not part of the strategy going forward is sold at well above acquisition prices. This creates cash flow and a financial foundation for development and growth of the rest of the business and new land acquisitions.

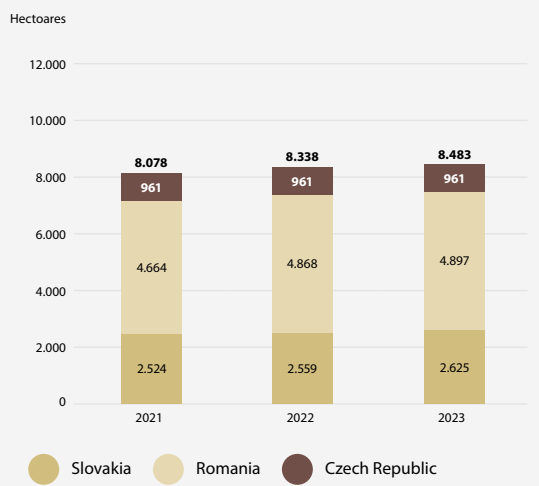


*"The land is our currency, and we consider the land to be the savings of the Group and its shareholders."*

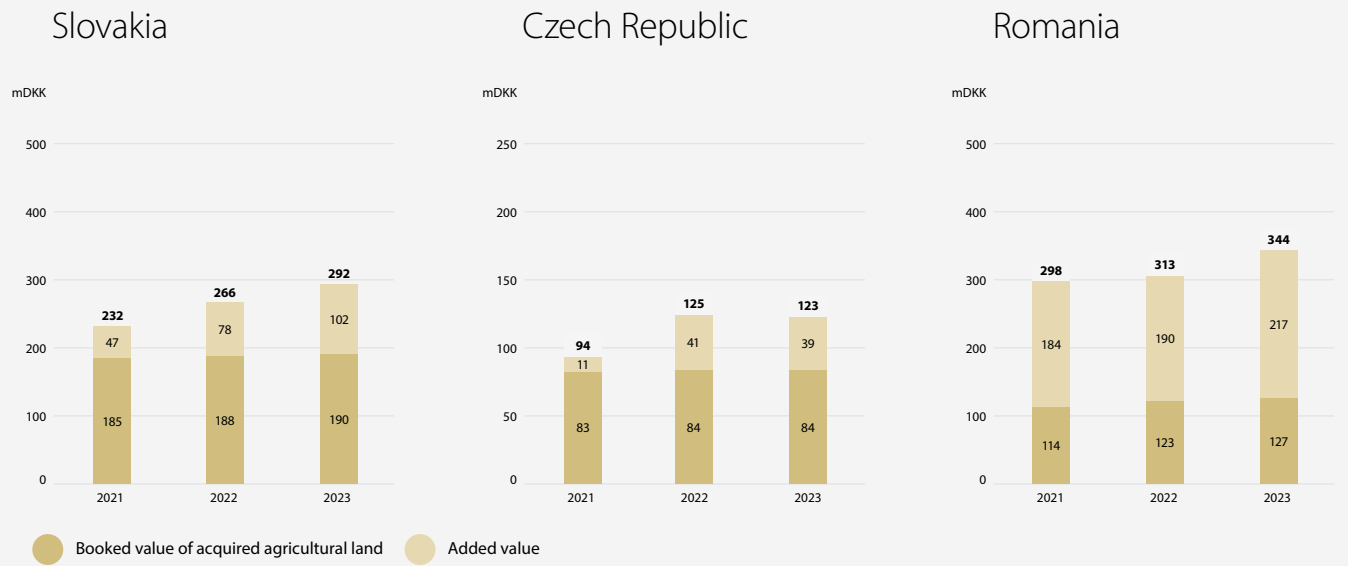
ANDERS H. NØRGAARD, CEO



**Development in land port folio**  
- land in ownership



**Development in value of land**



## CROPS:

# THE CROP PRODUCTION BECAME THE ACHILLES HEEL IN 2023

The high 2022 prices were replaced by significantly lower prices in 2023.

Both harvest yields, crop prices and turnover were lower than expected in 2023.

The harvest yield was negatively affected by minimal precipitation in Romania and parts of Slovakia, while the costs for inputs in the field were generally higher in 2023 compared to 2022.

Along with low yields and higher costs, the prices dropped as expected compared to the record prices in 2022. However, the price drop was larger than expected and, after a stable period, ended at an unsatisfactorily low level at the end of the year.

### Effective hedging

The total yield sold in crop production ended 10% below expectations, while realised prices on sales crops ended 20% below expectations.

Due to the harvest yields and prices, the turnover was also lower than expected - but still 3 mDKK higher than in 2022.

The immediate negative impact was partially offset by three positive factors:

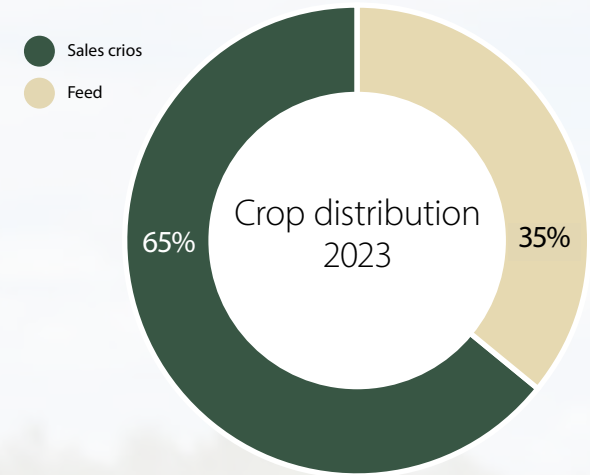
- Crops in storage from 2022 were sold in 2023 at old high prices.
- Parts of the 2023 harvest were sold at more than fair value due to previously signed sales contracts.
- FirstFarms' strength; risk diversification.

Value adjustment of biological assets is in 2023 negatively affected by -2 mDKK from the development in the value of harvested crops compared to +30 mDKK in 2022. The effect in 2023 is a combination of lower yields and lower prices.

### Better yields in 2024

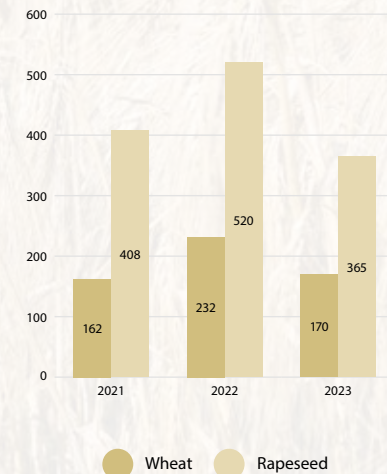
FirstFarms expects continued low crop prices but significantly better yield and thus an improved crop turnover in 2024.

Mid May 2024, FirstFarms is ready to optimise the production of high value crops in Romania. A large irrigation project is being finalised, and 1,350 out of a total of 6,400 hectares of the Group's fields in the country will be under irrigation.

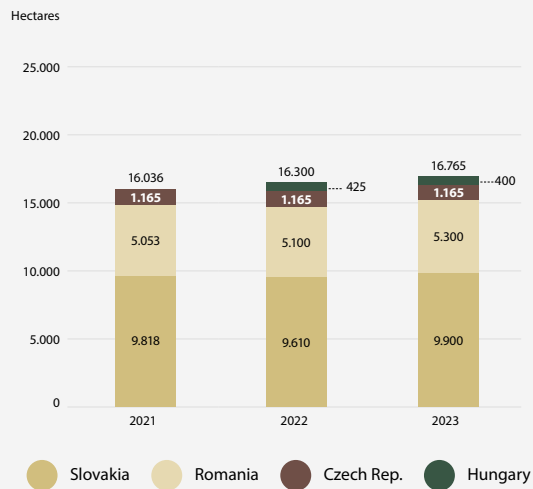


↓ 27%  
↓ 30%

Ave. sales prices DKK/100 kg



## Development in land port folio - land in operation

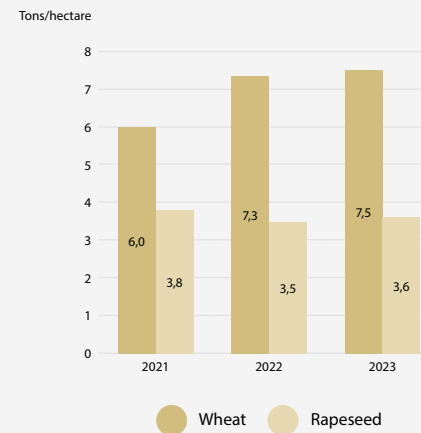


## Development in yields

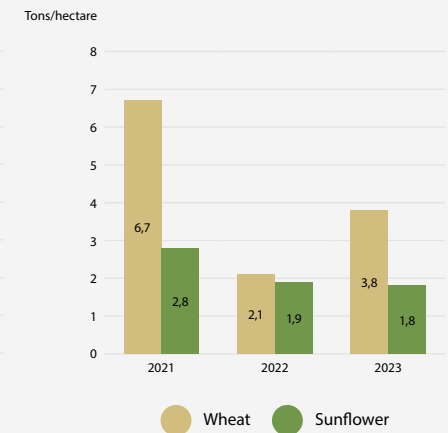
### Slovakia



### Czech Republic



### Romania



IRRIGATION:

## FIRSTFARMS INVESTS IN WATER

In Romania, FirstFarms is finalising an extensive irrigation system of great importance for future crop choices, harvest yields, quality and price.

So far, FirstFarms puts 1,350 hectares of 6,400 possible hectares in Romania under irrigation. The company has invested in - and will install - 22 pivot irrigation systems. The individual pivots range in length from 150 to 650 metres. The largest plant irrigates an area of 130 hectares.

### **Major construction work**

The installation of the large irrigation systems in the fields was preceded by extensive construction work. Three large pumping stations were built at some of the wide canals that bring water from the Danube, which runs up to 100 kilometres away.

The pumping stations lead the water to the fields through 12 kilometres of 800 mm main pipes that FirstFarms has put down. From the main pipes, another 11 kilometres of 250 - 400 mm side pipes are put down, which bring the water to the pivots.

FirstFarms has also put down fibre optic broadband and electrical cables to all pivots. Fibre optic broadband ensures smart control of the irrigation system. Electricity cables are preferred for generators as it is a more sustainable solution and later this year the plan is to connect solar panels as the electricity supply.

### **Better harvest and profitability**

Romania has in recent years received limited amounts of precipitation for longer periods of time, resulting

IRRIGATION:

## FIRSTFARMS **INVESTS IN WATER** - CONTINUED

in low yields. FirstFarms' irrigation will change that from Mid May, when the pivots are ready for use.

Bjarne Maj, Production Director for FirstFarms in Romania, says:

"The areas under irrigation provide cultivation security and better opportunities to grow high-value crops such as soya, sunflower, rapeseed and maize, which will significantly improve our yields and profitability. For example, we expect to harvest 15 tonnes of maize per hectare under irrigation in 2024; in 2023 we harvested 4 tonnes per hectare."



**BJARNE MAJ,**  
PRODUCTION DIRECTOR







PIGS:

## INCREASING PIG PRICES ARE THE REASON FOR FIRSTFARMS' GROWTH IN TURNOVER

Pig prices in 2023 were both higher and more stable than in 2022.

The high efficiency level in FirstFarms' pig production was maintained in 2023, while feed and energy costs decreased compared to 2022.

As expected, the high pig prices started to decrease in the first half of 2023, but then the prices recovered and stabilised at a solid level.

The average price for piglets was 670 DKK while the average price for slaughter pigs was at 16.90 DKK /kg, both at a higher level than expected. The turnover on pigs was 214 mDKK, which is 40 mDKK higher than in 2022.

It is to a large extent the increasing pig prices, which is the reason for FirstFarms' total turnover increase of 10% in 2023.

FirstFarms' pig production is based on 6,600 sows with an expected annual production of 235,000 piglets, which is 45% more than in 2023. 100,000 are used in our own slaughter pig production. Other piglets are

sold on the regional markets. The production is distributed across 10 units in Hungary, Slovakia and the Czech Republic, which contributes to significant risk mitigation in several areas.

The Group's two new pig production units in Hungary were in full production by the end of 2023, and the first piglets were delivered at the beginning of 2024. The new units contribute with 72,000 piglets annually with full effect from 2024.

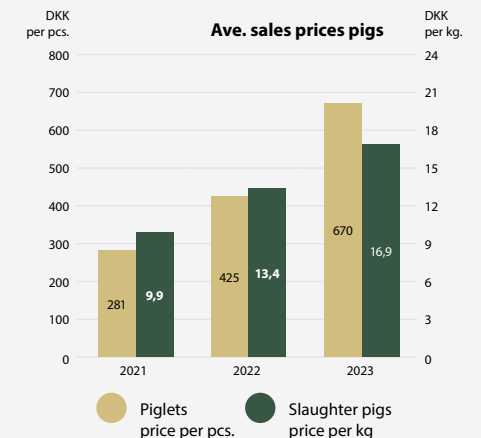
The start-up costs for 2023 amount to 10 mDKK, which has a negative impact on the result for the year.

FirstFarms uses Danish genetic, which ensures a quality pig and a low feed consumption, which gives a low CO2 footprint. The aim of genetic selection is to ensure optimal production of pigs with a high meat percentage and high quality.

↓ 2%  
↑ 1%



↑ 58%  
↑ 26%



SUSTAINABILITY:

## THE ETERNAL JOURNEY TOWARDS **MORE SUSTAINABILITY**

We will never be 100% sustainable. And I would argue that no other company is or will be either. It will always be possible for ourselves or others to find areas where we should do better when it comes to sustainability. And thank you for that, because we can always make things even better.

That is why it does not make sense for us to lock ourselves into a singular goal of becoming a sustainable business. We can only disappoint. We do not want to.

Instead, we want to continue the ongoing journey where we work every day to create an ever more sustainable business, where we develop our leaders and employees, where we focus on animal welfare and where we support local communities. Of course, we are fully aware that our operations have an impact on the climate and nature. We continuously minimise this impact and work every day to reduce our footprint.

### **Status of the journey**

It is a good, right and transparent journey we are on - and that we know will never end.

Along for the ride are our employees, business partners, our shareholders and anyone else who looks us in the eyes.

In 2023, we intensified our transition to green energy. The initial aim is to make us as self-sufficient as possible. In the long term, the idea is to turn green energy into a business leg.

The transition has begun with a large solar panel project, and by the end of 2023 we had placed solar panels on roof surfaces at many of our locations. Alongside this, we are exploring other options, and the work to reduce our carbon footprint will of course continue.

Circular operation is another focus area. Good soil provides good crops for humans and for animals in the form of feed, which provides better animal products and good natural fertiliser for the soil, which again provides.....

It strengthens the value chain for everyone, when we



SUSTAINABILITY:

## THE ETERNAL JOURNEY TOWARDS **MORE SUSTAINABILITY** - CONTINUED

ensure optimal interaction between our business areas and between the individual farms.

We also have a special focus on creating good local jobs. A majority of our products are sold locally and we take part in local communities - contributing where we can - being visible. Therefore, it is also important that we hire locally.

Like many others, we struggle to attract young labour. This is where our sustainability agenda and circular approach to work is of great importance. Our DNA comes into its own. It is embodied in a narrative - the story of FirstFarms and in our Purpose, Mission and Vision.

It is not just words on paper. Candidates feel it when they apply for the positions we advertise. And if they are hired, they also realise that it is true.

### **Increasing demands**

We are very much aware that there is a transition going on, where consumers across Europe are making ever greater demands on companies for more sustain-

able production, better social conditions for employees and for companies to assume greater corporate social responsibility in general.

FirstFarms is a responsible company and with respect for consumers, we strive to meet the increasing demands.

For agriculture, the transition started years ago with renewed attention, attitudes and action on the environment, climate, animal husbandry and production methods. This was intensified by COVID and then the war in Ukraine, followed by inflation, higher interest rates and extremely volatile prices for agricultural products.

Being an integral part of the ongoing disruption of the agricultural and food industry is both challenging and exciting, and our new "Strategy 2028" is aligned with the challenges and opportunities we face.

Our journey towards more sustainability began many years ago. We are in a good place in the journey now. It continues tomorrow.

*(Excerpt from a post in the book "De 7 Trin", published August 2023)*

CSR:

## FIRSTFARMS WORKS EXTENSIVELY TO **REDUCE ENVIRONMENTAL IMPACT**

To support the transition to more sustainable production, FirstFarms is constantly working to find new ways, methods and solutions, whereby the Group can reduce the environmental impact.

In 2023, FirstFarms has e.g. continued the work on mapping greenhouse gas emissions from the operation of the individual production units. The company has carried out mapping of greenhouse gas emissions from milk production and crop production. Gross emissions from the production of 1 kg of energy-corrected milk is 1.36 kg CO<sub>2</sub>e in 2023 (including scope 1, 2 and 3 emissions). Gross emissions of greenhouse gases from FirstFarms' crop production was 1,223 kg CO<sub>2</sub>e per hectare (incl. scope 1, 2 and 3 emissions).

### **Reduction of greenhouse gases**

One of the priorities FirstFarms will focus on in the coming years is reduction of greenhouse gas emissions from operations. As part of FirstFarms' transition to sustainable operations, the company has kick-started a pilot project in the milk production in Slovakia with the aim to create a Farm Sustainability Plan for the local activities.

Farm Sustainability Plan is a roadmap with actions aiming to reduce the company's carbon footprint, improve the resource circularity and reduce the impact on biodiversity.

In 2024, we will organise workshops in all subsidiaries.

Due to the differences in the individual productions, as well as local environmental and climate conditions, it is important to create a Farm Sustainability Plan that is customised to the local operation - but clearly based on "Strategy 2028".

### **Impact from climate change**

The consequences of climate change have a direct impact on the way FirstFarms cultivates and operates the fields. The company works daily with climate adaptation and tries to adapt the production methods to ensure a more sustainable and efficient production in the future.

Reduced tillage is one of the methods FirstFarms uses to improve soil quality and ensure the water retention in the soil. These methods also help to reduce greenhouse gas emissions from the company's operations.

Our CSR work supports and contributes to the UN Sustainable Development Goals.

The company's corporate responsibility report can be downloaded from the Group's website:

[www.FirstFarms.dk/en/investor-relations/corporate-social-responsibility/2024-annual-report-2023/](http://www.FirstFarms.dk/en/investor-relations/corporate-social-responsibility/2024-annual-report-2023/)





OUR EMPLOYEES:

## A **FIRSTFARMS** FOUR-LEAF CLOVER

FirstFarms' most important asset is its employees. With professionalism, commitment and companionship, 398 employees contribute to the company's development and growth every day. Meet four of them here.



Name: Dorina Dobos

Age: 28

Title: Farm Manager

Farm: Telekgerendás, Hungary

Seniority in FirstFarms: 5 months

Interests: Yoga

### **What is the best about your job?**

Oh, there are many things, but the best thing is that I have a dedicated team that works smart and has a lot of great ideas.

### **What makes you workday perfect?**

It is a day where we achieve the goals we set for the day and where people are happy and satisfied at the end of the workday.

### **What is the biggest challenge in your job?**

It's getting different generations to work well together and integrating new colleagues. These are important tasks that take up a lot of time.

### **What makes a good leader?**

It is many things, but it's important to listen and to always have five minutes if an employee needs to discuss something.

### **Which three things would you emphasize, if one is considering applying for work at FirstFarms?**

- The great opportunities to develop professionally.
- That we are an innovative and modern organisation.
- That we as a company are good at adapting to the world around us.



Name: Viorica (Vicky) Nistor

Age: 41

Title: Office Manager

Farm: FirstFarms Agro East, Romania

Seniority in FirstFarms: 1.5 years

Interests: Film, books, games

### **What do you do?**

I take care of pretty much everything-supporting the individual departments and managers in the administration.

### **What is good about your job?**

That I'm in contact with many people every day, and

OUR EMPLOYEES:

## A **FIRSTFARMS** FOUR-LEAF CLOVER

the tasks are many and varied. With only two years in the company, I can still learn and acquire new knowledge. I enjoy that.

### **What makes a good day at work?**

I think every day is good. We have a good time together – it is a good working environment.

### **What characterises a good colleague?**

Someone I can count on. Someone who does their job properly, is respectful and professional, and who does not gossip. I hate gossip.

### **What challenges you?**

I'm challenged when all departments come to me with tasks that need to be completed at the same time. It's good that I'm good at prioritising my work.

### **What would you highlight at FirstFarms?**

- It is a transparent organisation where we get a lot of information, where we speak clearly and where we are listened to.
- The job security. FirstFarms must grow and not just in Romania. This means development instead of liquidation. It gives security in the job. It is important
- The location. Our farm is located in the countryside. There's fresh air and plenty of space.



*Name: Ingrid Stachovicová*

*Age: 49*

*Title: HR-responsible*

*Farm: Vinohrádok, Slovakia*

*Seniority in FirstFarms: 16 years*

*Interests: All sports*

*Fun fact: Ingrid has been professional handball player in Denmark for 7 years.*

### **Your primary job role?**

Ensuring we have the right employees for the tasks we need to solve, and ensuring they are well integrated and developed.

### **Your most important job role?**

Bringing out the best qualities in our middle managers so they become great leaders.

### **What is your favourite thing about our job?**

My work with people and the conversations we have.

### **What is the perfect day at work?**

When things are successful and when there is time to get out in the production. I love to get out among my colleagues in production.

### **What challenges are you struggling with?**

There are probably two; I'm not fond of paper work, but I do it because I have to and it is necessary. We also have a challenge finding people with the right competences for a given job.

### **What do you emphasise about FirstFarms when talking to someone who is looking for a job?**

- That it is a stable workplace with good pay and working conditions.
- That there are many opportunities to develop.
- That we are a company with many younger people and a high ceiling.



OUR EMPLOYEES:

## A **FIRSTFARMS** FOUR-LEAF CLOVER



*Name: Katerina Cymbalova*

*Age: 36*

*Title: Assistant, finance department*

*Farm: Granero, Czech Republic*

*Seniority in FirstFarms: 10 years*

*Interests: Mixed sports, fishing, nature, family*

### **Your job in a few words?**

I manage payroll, keep records related to the production, liaise with the municipality and many other administrative tasks.

### **What is the best about your job?**

It is to help strengthen our neighbours and the rural community's experience of FirstFarms.

### **What is a perfect workday?**

My working day is perfect when there is plenty of time and good weather outside.

### **What is the most challenging part of your job?**

To complete my part of the monthly financial close within the specified deadline and without errors.

### **What makes a good colleague?**

A colleague I can approach without worry, ask for help and have an honest conversation with.

### **What things would you emphasise if one was considering applying for a job at FirstFarms?**

- Many benefits and nice and friendly colleagues.
- Work close to home.



## GREEN TRANSITION: THE GREEN TRANSITION IS **UNDERWAY**

The goal is to improve the energy efficiency and become as energy self-sufficient as possible.

Over the years, FirstFarms has continuously improved the energy efficiency in the production. Renovation of production buildings, installation of heat pumps and frequency controls are examples of measures that reduce electricity consumption.

### **Solar panels on two hectares**

In 2023, FirstFarms also continued to develop and implement projects within renewable energy. The Group sees a great potential in the installation of solar panels on the production units, as the climate conditions in the countries where we operate allow utilising the full potential of the solar panels to cover significant parts of own consumption. FirstFarms now has solar panels on most milk and pig productions in Czech Republic, Slovakia and Hungary and on our crop centre in Romania. In Romania, the plan is to connect the solar panels to a new large irrigation system later in 2024.

In total, FirstFarms has now installed solar panels on an area equivalent to two hectares. In 2023,

603 MWH was generated, of which 170 MWH was consumed by FirstFarms and the rest was sold to the grid.

### **Putting the brakes on**

FirstFarms has several solar energy projects in the pipeline, but is now slowing down a bit to wait until it becomes possible to utilise the solar energy in a context that extends beyond FirstFarms' own properties - i.e. sale of solar energy.

FirstFarms experiences a number of challenges that currently postpone the implementation of the projects. There are challenges related to the installation, as there in 2023 was a shortage of certain components due to high demand. In addition, it can be difficult to obtain permits for connection to the grid and the regulatory framework is incomplete.

### **A long way with thoughts of biogas**

Also the work to investigate the possibility of starting up biogas continued in 2023. FirstFarms is now so far that with an investment in a smaller



## GREEN TRANSITION: THE GREEN TRANSITION IS **UNDERWAY** - CONTINUED

existing biogas plant, it has the opportunity to start up a 1 megawatt biogas production in Gabčíkovo. Various possibilities for re-establishing the production are being investigated.

Currently, FirstFarms is also investigating several possibilities for biogas at our production units, but it is still too early to draw conclusions from the investigations.

Biogas production is also associated with a number of challenges, which must be solved before a larger plant is started. The framework conditions in the countries in which FirstFarms operates are not yet optimal, and many biogas plants are closed. FirstFarms therefore requires clear frameworks, incentives and legislation before biogas can become seriously interesting.

It's not the will but the framework that is missing.

FirstFarms is on the road to more self-sufficiency - but there is still a long way to go. However, the challenges with both solar panels and biogas do not change the fact that in the long term, the opportunity is to go one step further and make green energy a business leg.



SOCIALT ENGAGEMENT:

## FIRSTFARMS TAKES PART IN LOCAL COMMUNITIES

Good neighbourliness creates positive interest.

FirstFarms has a clear objective to be a good neighbour to the local communities. This means that FirstFarms behaves properly, is in continuous dialogue with both authorities and locals, supports local activities financially and helps physically where they can.

The interest in an recurrent Open House event at FirstFarms in Plavecký Štvrtok, Slovakia, proved that these are not just words.

In June 2023, around 3,200 children and adults from the local community visited the farm over three days to get to know FirstFarms even better, see dairy cows, calves, crops and machinery. All in a positive spirit.

This positive interest and support only happens when a company is known, acknowledged and contributes to the local community.

Good neighbourliness is worth a lot.





# EXPECTATIONS TO 2024: **PROGRESS IN TERMS OF RESULT**

Based on the ambition to grow FirstFarms 100 percent in the next five years, the Group expects to deliver a higher turnover and a better result in 2024 compared to 2023. An EBITDA of 110 - 140 mDKK and an EBIT of 50 - 80 mDKK is expected against a realised EBITDA of 101 mDKK and an EBIT of 50 mDKK in 2023. In 2024, our main priorities and key tasks will be:

## **THE KEY TO SUCCESS**

We must be "best in class" in our efficiency and be able to fully utilise the production capacity we have. We need to focus in the detail on reducing our costs per unit produced. Our circular mindset helps us along the way.

## **FOCUS ON SUSTAINABILITY**

The journey towards a more sustainable business continues with the reduction of emissions and compliance with CSRD and EU taxonomy legislation, as well as a focus on implementing the right digital tools. Also in 2024, investments will be made in plants and machinery that support the sustainability agenda.

## **EYE FOR ACQUISITIONS**

FirstFarms closely follows the development within trade with land and agriculture. Acquisitions are part of our growth strategy, and therefore also a possibility in 2024, if a value-creating opportunity arises in one of the countries we operate in.

## **IRRIGATION WITH GREAT IMPORTANCE**

In Romania, we are finalising a large irrigation project to mitigate the negative consequences of limited precipitation going forward. 1,350 hectares, equivalent to one third of our total land in Romania, are now under irrigation.

## **FROM STRATEGY TO EXECUTION**

The "Strategy 2028", presented in December 2023, is being executed and delivered on. A number of concrete initiatives that all support the strategy and the Group's short- and long-term goals have been launched. In mid-November, the 2024 initiatives will be assessed and evaluated.

## **WE TAKE THE TEMPERATURE**

In 2024, a thorough satisfaction survey will be conducted across all employee groups in FirstFarms. The result will lead to concrete action. We aim to offer the industry's best work environment with high employee satisfaction and a high degree of knowledge sharing.

## **BROAD ORGANIC GROWTH**

Organic growth in all operations is a prioritised area in our strategy. For example, this summer we will start the construction of 210 new farrowing pens in Gabčíkovo, Slovakia, which will increase the production on the farm by 10,000 piglets and 14,000 slaughter pigs

## **FOCUS ON NEW TECHNOLOGY**

We want to be at the forefront in development of "Next level farming". This means that we will implement a range of new technologies - not least precision solutions - which will take our business to a new level.

## **TRANSITION TO GREEN ENERGY**

The transition to green energy will continue in 2024, with the goal of increasing our own integrated production of renewable energy. We must utilise the fact that we have now installed solar cells on an area equivalent to two hectares. The goal is to make FirstFarms as energy independent as possible.





# THE INVESTMENT CASE: WE ARE WORTH INVESTING IN

- Based on "Strategy 2028", FirstFarms has set the goal to increase the Group's turnover to 750 mDKK and EBITDA to 240 mDKK towards 2028, which leads to improved EBITDA margin.
- The growth in turnover must be organic, supplemented with acquisitions.
- We execute within four defined focus areas; "Continuous growth", "Next level farming", "The sustainability journey", and "People & Culture".
- We have built a strong business model with a proven and responsible distribution of our risks. This has created the solid, sound financial foundation and organisation needed to achieve our goal of 100 percent growth in the turnover in five years.
- We will reduce the CO2 intensity of our food products within the part of the value chain we control.
- We will increase the integration of renewable energy in our production. By 2028, FirstFarms' goal is to cover a large part of our total electricity consumption from renewable energy sources.
- Our focus is soil health and biodiversity. We will apply and scale up precision farming practices in our crop production with the goal of reducing the intensity of synthetic inputs by 2028.
- An experienced and competent team at both management and employee level - with a focus on diversity.

## Robust business model

Balanced circular business model which is divided into 4 areas without immediate correlation. The value creation takes place on basis of development of the portfolio of agricultural land, crop, milk and pig production and in a ongoing transition towards renewable energy. The division is by country, geography, products and branches of operations. Everything is within EU.

## Strong cash flow

Our business is capital-heavy on long-term assets in the form of land, buildings and operating assets, and still we create solid positive cash flows from the underlying production.

## Capital allocation and dividend policy

Capital structur: Repayment of net interest-bearing debt during periods, when the economic gearing is higher than the objective, which is net interest-bearing debt/EBITDA <6.

Acquisitions and divestments: Carefully selected acquisitions in line with "Strategy 2028". Divestments of fully developed land or activities that do not create value for the business model. Value-creating investments in development of the existing business.

Distribution policy: Distribution to shareholders in the form of dividends and share buy-back. FirstFarms aims for an annual distribution of 30% of the yearly result after tax.

Other shareholder return: Cyclically robust real assets behind the investment.



# THE GROUP'S **RISK MANAGEMENT**

## RISK MANAGEMENT:

# FOCUS ON **RISK MANAGEMENT**

The Board of Directors and the Management have the overall responsibility for the Group's risk management and internal control in connection with the financial reporting process, including compliance of relevant legislation and other regulations in relation to financial reporting (compliance).

The Group's risk management and internal controls in connection with the financial reporting process are adapted to the Group's staffing in the finance function and can only create reasonable, but not absolute, assurance that improper use of assets, losses or significant errors and deficiencies in connection with the financial reporting process are avoided.

### **Well-functioning control environment**

The Board of Directors assesses the Group's organisational structure and staffing in significant areas at least once a year.

The Board of Directors has adopted policies and procedures in significant areas in connection with the presentation of accounts. The procedures are communicated to the subsidiaries to ensure compliance with the guidelines and policies.

### **Risks are continuously assessed**

At least once a year, the Board of Directors and the Management carry out an overall assessment of risks in connection with the financial reporting process.

As part of the risk assessment, the Board of Directors and the Management take a stand on an ongoing basis on the risk of fraud and on the measures that must be taken with a view to reducing or eliminating these risks. In the case of significant acquisitions, an overall risk analysis is carried out for the acquired company, just as the most important business procedures, and internal controls in connection with the financial reporting in the acquired companies, are generally reviewed immediately after the takeover.

### **Control activities in place**

The control activities are based on the risk assessment. The aim of the Group's control activities is to ensure that the goals, policies and procedures set out by the Management are met and to prevent, detect and correct any errors, deviations and deficiencies in a timely manner. The control activities include manual and physical controls and general IT controls, as well as automatic application controls in the IT systems used etc.

There are minimum requirements for proper safeguarding of assets and for reconciliations and accounting analytical review, including ongoing assessment of target fulfillment.

### **Ongoing reporting process**

The Management has established a formal Group reporting process, which includes ongoing reporting. In addition to the income statement and balance sheet, the reporting also includes notes and supplementary information. Information is collected on an ongoing basis for the fulfillment of any note requirements and other information requirements.

FirstFarms' CEO is director or chairman of the Board of Directors in the subsidiaries. FirstFarms therefore also closely follows the activities of the subsidiaries, where the Group's operations take place.

### **Information and communication**

The Board of Directors has adopted a policy which i.a. generally determines the requirements for the presentation of accounts and for the external financial reporting in accordance with the relevant legislation and regulations. One of the objectives of the policy, adopted by the Board of Directors, is to ensure that applicable information obligations are complied with, and that the information provided is comprehensive, complete and accurate.

The Board of Directors emphasises that, within the framework that applies to listed companies, there is an open communication in the Group and that the individual knows his/hers role in the internal control of the company.

**Monitoring**

Any risk management and internal control system must be continuously monitored, controlled and quality assured to ensure that it is effective. Monitoring takes place continuously. The extent and frequency of the periodic assessments depends primarily on the risk as-

essment for this and the effectiveness of the ongoing controls. Any weaknesses are reported to the Management. Significant matters are also reported to the Board of Directors.

The auditors elected by the general meeting report significant weaknesses in the Group's internal control systems, in connection with the financial reporting process, in the long-form audit report to the Board of Directors.

The Board of Directors monitors that the Management responds effectively to any weaknesses or deficiencies,

and that agreed measures in relation to strengthening risk management and internal controls in relation to the financial reporting process are implemented as planned.

**The Group's management bodies, their committees and their functions**

Information on the Group's Board of Directors and Management can be found from page 66. Furthermore, reference is made to the statutory report on corporate governance, which can be viewed or downloaded from the Group's website, cf. page 71.

**RISK ASSESSMENT**

**Strategic**

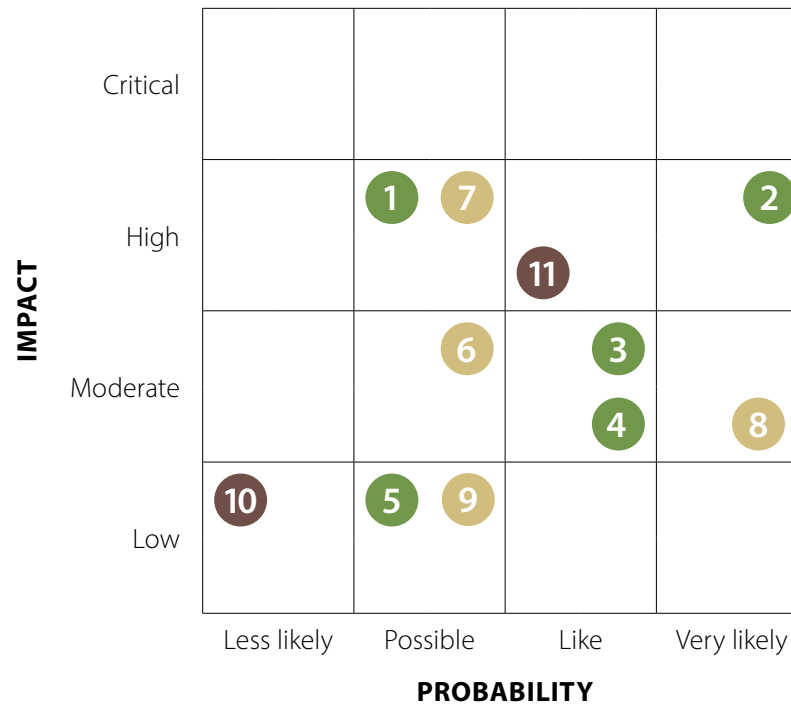
- 1 Inflation, interests and exchange rates
- 2 Climate changes and ESG
- 3 Political development
- 4 Market development
- 5 Acquisitions and divestments

**Operational**

- 6 Employees (development, health and safety)
- 7 Disease and virus in crops and animals
- 8 IT risk (Data, ERP systems and Cybersecurity)
- 9 Supply chain

**Finance and compliance**

- 10 Tax
- 11 Legislation



# RISK ASSESSEMENT

STRATEGIC			
Risk	Description	Impact	Mitigation/How we manage the risk
<p><b>1</b></p> <p>Inflation, interests and exchange rates</p>	<p>The wars in Ukraine and the Middle East have triggered inflation, exchange rates and increasing interests.</p>	<p>Earnings will depend on the price development on the markets of input and output to our production, the development in exchange rates and interest rates. The ability to generate value will be one of the factors that determine whether FirstFarms will invest in new projects.</p> <p>The Group's equity is impacted by exchange rate fluctuation. The exchange rate risk is lowest in Slovakia, where the exchange rate is EUR, whereas a relatively larger risk is attached to the exchange rate in Romania, Hungary and the Czech Republic.</p>	<ol style="list-style-type: none"> <li>1. The need for hedging exchange rate and interest risk is assessed on an ongoing basis. By investing in and operating agricultural companies in Central Europe, FirstFarms is exposed to foreign currency. To minimise this exposure, the Group has to a large extent financing in local currency.</li> <li>2. FirstFarms has hedged the interest through interest hedging agreements and loan with fixed interest.</li> </ol>
<p><b>2</b></p> <p>Climate changes and ESG</p>	<p>FirstFarms are aware that the Group's activities are a source of significant greenhouse gas emissions. FirstFarms acknowledge the climate changes, that the world faces and the impact they may have on our business and supply chain. The result of climate changes, policies and/or market changes ralted to them may have influence on our operations and/or demand for our products.</p>	<p>Different types of risks related to climate change mitigation and adaptation may have an impact on FirstFarms' growth and profitability:</p> <ul style="list-style-type: none"> <li>- Risk as extreme weather events and lack of rain. The Group operates in several geographical zones, and FirstFarms can, as an agricultural company in the area of agriculture and food products, be influenced by the weather conditions in Slovakia, the Czech Republic, Romania and Hungary, respectively. Bad or unusual weather conditions can result in a lower harvest yields or that areas cannot be harvested. Bad weather conditions can also have a negative impact on the productivity of animal production as i.e. cows can get heat stress, which reduces the milk yield.</li> <li>- Increased regulation and carbon taxation.</li> <li>- Inability to deliver on our ESG objectives, as well as increased critical political and public opinion on agriculture, may have a reputational and operational risk.</li> </ul>	<ol style="list-style-type: none"> <li>1. ESG is a strategic working area in the Group. FirstFarms works continuously on making our products more sustainable by increasing production circularity and reducing the consumption of fossil fuels and energy.</li> <li>2. Spreading on different geographical locations and countries gives a balanced risk in connection with bad weather conditions and diseases. Good management practices of the soil including reduced tillage targeted to retain water in the soil. Moreover, cover crops and other methods to increase the soils organic matter.</li> <li>3. Crop rotation including the introduction of more drought-resistant varieties of crops and irrigation of crops.</li> <li>4. Distribution of the production on several geographically distinct cultivation zones gives a certain risk balance.</li> <li>5. Equip stables with climate neutral cooling systems for the animals.</li> </ol>

# RISK ASSESSMENT

STRATEGIC			
Risk	Description	Impact	Mitigation/How we manage the risk
<p><b>3</b></p> <p>Political development</p>	<p>Due to the Group's international activities in countries in EU, there is the risk of fluctuation in national economies, political situations and social aspects in the countries where FirstFarms operates. It will have an impact on global and local market development (value chains and consumer behavior). Moreover the complexity of the legal and regulatory environment increases).</p> <p>FirstFarms applies for and has continuously received production subsidies, which include direct subsidies given in proportion to objective criteria (including hectare subsidy) as well as discretionary support schemes (structural subsidies) which typically are distributed by the national authorities.</p>	<p>FirstFarms has a risk of failing to monitor and respond to political and market changes and volatility. It may have an impact on the company's growth, profitability and reputation.</p> <p>No guarantee can be given that subsidies from the discretionary support schemes can be obtained, just as an obligation to pay back or block payment of subsidies is normally attached, if the company does not fulfill a number of conditions.</p> <p>There are risks of legislation regarding land purchases and sales, where FirstFarms operates. In Slovakia, a considerable part of the agricultural the land is owned by institutions such as churches, municipalities, and SPF (Slovenský Pozemkový Fond); a Slovakian land fund that administrates land with unknown owners.</p> <p>These institutions rent out land to a range of agricultural companies, including FirstFarms, as they are not allowed to sell their land. There is a political wish to change the present legislation so it among other things will be possible for the institutions/landowners to sell their land. When this happens there will, without doubt, arise a more transparent and liquid market but at the same time, there is a possibility that an oversupply of land will occur, which can contribute to lower pricing on land.</p>	<ol style="list-style-type: none"> <li>1. The Group invests in and operates the companies with national and local political support for the food-producing companies due to the low food self-sufficiency in countries where FirstFarms operates.</li> <li>2. FirstFarms has organisational functions at all locations to monitor and comply with requirements regarding subsidy allocation. Moreover, all subsidiaries are members of local and national business branch associations to follow updates on local and national political development.</li> <li>3. In case the legislation is changed, FirstFarms expects to get a pre-emptive right to the rented land.</li> <li>4. Generally the legislation concerning production and handling of food products is strict. Legal and production departments control and ensure FirstFarms' compliance with the legislation.</li> </ol>
<p><b>4</b></p> <p>Market development</p>	<p>Agricultural operation, including demand and pricing on commodities and animal products, is exposed to the economic development in the countries where FirstFarms operates and also towards the development of the global economy. Economic decline or recession can therefore influence the demand for the company's products.</p>	<p>FirstFarms is depending on the terms of trade, i.e. the condition between settlement prices in the agriculture (grain, oilseed, milk, cattle, piglets and slaughter pigs) and the company's operating costs (feed, salaries, fuel, energy and fertiliser).</p> <p>The prices are affected by factors outside FirstFarms' control, including global and local supply and demand conditions, storage volumes, and the trade environment of commodities. If the terms of trade deteriorate, FirstFarms' earnings will be under pressure. Changes in terms of trade will have an impact on FirstFarms earnings, but it will be offset over time.</p>	<ol style="list-style-type: none"> <li>1. FirstFarms seeks to a certain extent to counteract price fluctuation risks by freezing settlement prices and operating costs by entering contracts of longer duration and internally to secure agreements of crops for feed.</li> <li>2. To reduce the effect of price fluctuations for production input FirstFarms increases the value chain integration trough ensuring internal feed production and increasing the value of the products.</li> <li>3. Circular production.</li> <li>4. We follow the market very close with meetings every second week also with participation from people outside FirstFarms.</li> </ol>
<p><b>5</b></p> <p>Acquisitions and divestments</p>	<p>Acquisitions and divestments are the main elements in FirstFarms' growth and portfolio.</p>	<p>The risk of no accomplishment (complete) of the acquisitions and divestments can arise during the identification, the due diligence process and the signing of sales/purchase agreements. Moreover, the integration of the new companies could be challenging due to resistance from different stakeholders. Furthermore, there may be a risk that the divestment can not be completed.</p>	<ol style="list-style-type: none"> <li>1. FirstFarms' professional and experienced project teams together with support from local legal and financial consultants follow the established governance process on all stages of a transaction.</li> <li>2. FirstFarms has a strong focus on post-acquisition integration of the new entity, supported by a communication plan and human resources management action to retain key employees in the acquired company.</li> </ol>

# RISK ASSESSMENT

OPERATIONAL			
Risk	Description	Impact	Mitigation/How we manage the risk
<p><b>6</b></p> <p>Employees (development, health and safety)</p>	<p>FirstFarms' operations depend on skilled, professional and motivated employees. The company's growth and profitability depend on our ability to attract, develop, engage and retain a professional, diverse and talented workforce. FirstFarms always strives to offer a good workplace with a healthy and safe working environment. However, the company's activities could expose employees, sub-contractors and other individuals to the risk to their health and safety.</p>	<p>Several risks related to the workforce in the company could occur:</p> <ol style="list-style-type: none"> <li>1. FirstFarms may have difficulties attracting a qualified workforce due to a potential low attractiveness of agricultural business and the general shortage of workforce.</li> <li>2. If a health and safety accident occurs, it would entail significant legal liability and costs and might have an impact on FirstFarms' reputation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Continuously improvement of the working conditions incl. investments in safety at the workplace, clear safety procedures and recurring Employee Satisfaction Survey.</li> <li>2. Competencies development through training and education covered by implemented procedures and policies.</li> <li>3. Active collaboration with the local education institution to promote possibilities to work in the agricultural business at FirstFarms.</li> </ol>
<p><b>7</b></p> <p>Disease and virus in crops and animals</p>	<p>Disease and viruses in crops or animals make up potential risks for FirstFarms, as the company has a considerable livestock and a large crop production.</p>	<p>Virus and diseases can have a direct or indirect impact on the production. A virus can affect animals, crops and our daily work to some extent. Besides diseases in the company's own livestock, FirstFarms may also be affected by diseases from farms nearby. According to EU's "Zoonoses Directive", diseases in livestock nearby FirstFarms' facilities can entail that the company can be subject to zone restrictions, which have the purpose to contain the disease which among other things could cause culling of FirstFarms' livestock herd.</p>	<ol style="list-style-type: none"> <li>1. To minimise the risk best possible, the company has prepared an infection protection plan and emergency operation plan for the livestock affected by the disease. A drill of the emergency plan has been made. Continuously investment in biosecurity upgrading and strong genetics on all farms. We are constantly assessing new security measures and existing procedures to identify possibilities for further actions. Group's biosecurity model can be found on page 48.</li> <li>2. Implementation of good management practices at all animal farms. FirstFarms always complies with veterinary legislation. The animals in the herds are on a daily basis inspected by either a veterinary or production manager.</li> <li>3. FirstFarms has insurance covering animals affected by the disease. However, the insurance does not cover operating losses resulting from diseases in the livestock and consequent stop of operation for a period.</li> <li>4. FirstFarms is exposed to diseases in the crops, including fungus and pests. The company seeks to minimise the risk of diseases in the crops through active and good management of the field production with consideration to special conditions in each individual country and using the correct adjuvant. No insurance has been taken out on diseases in the crops.</li> </ol>

# RISK ASSESSMENT

OPERATIONAL			
Risk	Description	Impact	Mitigation/How we manage the risk
<p><b>8</b></p> <p>IT risk (Data, ERP systems and Cybersecurity)</p>	<p>FirstFarms daily operation depends on the IT systems working stable. There are significant risks of cyber-attacks, and the risk level continues to increase.</p>	<p>Breakdown and unauthorised access to our IT systems can result in disruption of our production and loss or damage to critical data. It could lead to financial and reputational and consequences.</p>	<ol style="list-style-type: none"> <li>1. Internal regulation that closely describes our procedures to avoid attacks.</li> <li>2. We have a separation of functions which minimises risk of fraud or mistakes in general.</li> <li>3. Both in- and external IT functions taking a backup of our systems to be sure of data security in general and only short idle-time by business interruption.</li> <li>4. FirstFarms educates employees in the correct digital behavior, where the importance of IT security in the workplace is communicated, as well as the risk of not complying with established security measures.</li> </ol>
<p><b>9</b></p> <p>Supply chain</p>	<p>Geopolitical conditions have stressed the supply-chain. Despite the high level of self-sufficiency and circularity of FirstFarms' production, together with the local sale of our products, there may be disruptions in the procurement of the critical inputs as well as disruption on the consumption side of our products.</p>	<p>If FirstFarms does not respond effectively to disruptions of the supply chain, there is the risk of significant negative affect on FirstFarms' input, operations and financial results.</p>	<ol style="list-style-type: none"> <li>1. The Group has a high level of self-sufficiency and circularity in the production.</li> <li>2. To reduce the effect of supply chain disruption on the production, FirstFarms has an effective stock management, where most of the critical production input is available on stock. 1. Koncernen har en høj grad af selvforsyning og cirkulæritet i produktionen.</li> </ol>

FINANCE AND COMPLIANCE			
Risk	Description	Impact	Mitigation/How we manage the risk
<p><b>10</b></p> <p>Tax</p>	<p>FirstFarms works with cross border activities and is thus subject to transfer pricing rules according to OECD guidelines.</p>	<p>There is a risk that local tax authorities will propose changes to local tax returns. However, in cases where these are intra-group transactions, corrected tax assessments will have to be made in the group-affiliated company, according to OECD guidelines.</p>	<ol style="list-style-type: none"> <li>1. The group has a written tax policy that generally forms the framework for our approach.</li> <li>2. The group has full transfer pricing documentation prepared with support from advisers.</li> </ol>
<p><b>11</b></p> <p>Legislation</p>	<p>Romania, Slovakia, the Czech Republic and Hungary are all members of the EU. The legal systems in these countries are, however, in several areas somewhat different and less developed than in, for example, Denmark and other Western European countries. FirstFarms is therefore exposed to legal risks in Romania, Slovakia, the Czech Republic and Hungary, also in connection with purchases, investments, leases of land and entering into purchase and sale contracts as well as applications for various support schemes.</p>	<p>Failure to comply with legal requirements as well as the risk of fraud and bribery can have a reputational and financial impact on the Group's activities.</p>	<p>To reduce the risk, the Group has established legal functions in all subsidiaries. The Group also has external legal advisers attached. In addition, an internal control system consisting of the Group's internal procedures has been established.</p>

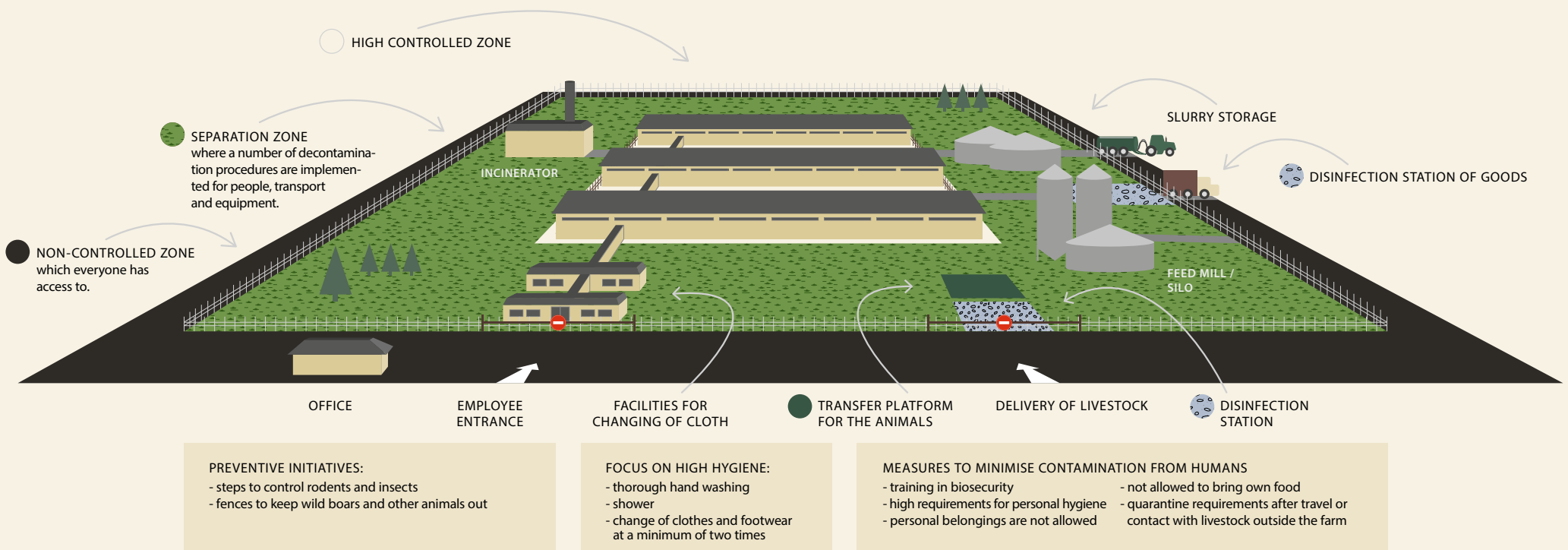




*"African swine fever is a risk we live with on a daily basis, and which we take very seriously. We have invested large amounts in biosecurity, and will continue to do so in the future with a view to keep the infection from our stable doors."*

MORTEN KNUDGAARD, COO

### 3 ZONE BIOSECURITY MODEL



# CORPORATE GOVERNANCE



# SHAREHOLDER INFORMATION

## Basic data

Stock exchange Index	Nasdaq Copenhagen A/S SmallCap
Sector	Consume staples
ISIN code	DK0060056166
Short name	FFARMS
Share capital	111,463,110 DKK
Nominal denomination	10 DKK
Number of shares	11,146,311
Negotiable shares	Yes
Voting right restriction	No
Share classes	One

## Share capital

FirstFarms' shares are listed at Nasdaq Copenhagen A/S, and the share capital is nominally 111,463,110 DKK.

## Shareholders

### Number of shares (pcs.)

### Capital (%)

Constantinsborg A/S	2,431,926	21.8
Henrik Hougaard	2,414,846	21.7
Bendt Wedell	1,360,289	12.2
Other registered shareholders	4,527,411	40.6
Non-registered shareholders	411,299	3.7
Own shares	0	0.0
<b>Total</b>	<b>11,146,311</b>	<b>100.0</b>

## Shareholder composition

As per 21 March 2024, FirstFarms had 2,783 shareholders. The majority is Danish investors, whereas 78 shareholders are registered outside Denmark. As per 21 March 2024, the name register share in the company's owner book was 96.31%. 3 shareholders own more than 5% of the share capital.

## Shareholdings - for Board of Directors and Management

### Name

### No. of shares (pcs.)

Henrik Hougaard	2,414,846
Bendt Wedell	1,360,829
Claus Ewers	284,771
Asbjørn Børsting	50,597
Jens Bolding Jensen	10,097
Karina Boldsen	2,899
Anders H. Nørgaard	136,435

As per 21 March 2024, the Board of Directors and Management of FirstFarms A/S held, direct or indirect, nominally 4,260,474 shares, corresponding to 38.2%.

## COMPANY ANNOUNCEMENTS FROM FIRSTFARMS A/S

Date	No.	Announcement
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### Published company announcements in 2023

23 January 2023	1	FirstFarms A/S adjusts upwards and clarifies the expectations to 2022	30 August 2023	9	Interim financial report for 1 January – 30 June 2023 for FirstFarms A/S
24 March 2023	2	Annual report 2022: Progress on all major parameters	6 September 2023	10	Report on insiders trade with FirstFarms A/S' shares
24 March 2023	3	FirstFarms A/S rewards 2022 result	7 September 2023	11	Result of conversions of bonds to shares
29 March 2023	4	Report on insiders trade with FirstFarms A/S' shares	7 September 2023	12	Correction to company announcement 11/2023: Result of conversions of bonds to shares (Related parties are updated)
30 March 2023	5	Notice to convene the annual general meeting in FirstFarms A/S	14 September 2023	13	Report on insiders trade with FirstFarms A/S' shares
25 April 2023	6	Progress of annual general meeting in FirstFarms A/S	29 September 2023	14	Capital increase at conversion of bonds to shares
17 May 2023	7	FirstFarms A/S' interim financial report for 1 January – 31 March 2023	29 November 2023	15	Interim financial report for 1 January -30 September 2023 for FirstFarms A/S
9 June 2023	8	Report on insiders trade with FirstFarms A/S' shares	1 December 2023	16	Finanacial calendar 2024 for FirstFarms A/S

Date	No.	Announcement
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### Published company announcement in 2024

29 February 2024	1	FirstFarms A/S secures large capital injection from the Heartland Group and positions itself for strong growth
29 February 2024	2	FirstFarms A/S: Major shareholder announcement - Constantinsborg A/S
6 March 2024	3	FirstFarms A/S: Major shareholder announcement - Constantinsborg A/S and Olav W. Hansen A/S
8 March 2024	4	FirstFarms A/S allocates warrants
21 March 2024	5	Annual report 2023

Date	No.	Announcement
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### Expected company announcements 2024

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

## THE FIRSTFARMS SHARE



### Share price development 2023

As per 1 January 2023, the share price was 77.20, and the FirstFarms share closed at price 67.60 on 29 December 2023. At the end of the year, the market value was 672 mDKK (2022: 730 mDKK), and the share price decreased by 12.4%, whereas the Danish smallcap-index, which the FirstFarms share is part of, in the same period increased by 4.1%. In 2023, the average share turnover was 203,826 DKK per business day (2022: 316,562 DKK). (Source: Nasdaq Copenhagen A/S)

### Insiderregister

In accordance with the Market Abuse Regulation and other rules and regulations that apply to listed companies at Nasdaq Copenhagen A/S, FirstFarms keeps an insider register of persons who have access to internal knowledge regarding the Group. The insider register comprises the Board of Directors, Management and other key staff in Denmark and in foreign subsidiaries, as well as advisors in the FirstFarms Group. These persons are subject to internal rules which, among other things, specify that they are only allowed to trade FirstFarms shares for a period of four weeks after the publication of company announcements on the company's accounts, provided that they do not have any knowledge of confident information that could have influence on the price of the company's shares (open window).



*FirstFarms strives to maintain an open, continuous and service oriented dialogue with current shareholders, potential investors, analysts, the media and other stakeholders.*

## **ANNUAL GENERAL MEETING AND FINANCIAL CALENDAR**

FirstFarms' annual general meeting is held Tuesday 16 April 2024 at 2 p.m. at SAGRO, Majsmarken 1, DK-7190 Billund.

The notice to convene will be forwarded to all registered shareholders, who have given their e-mail address to the company. Furthermore, the notice to convene will be forwarded to those who have signed up for FirstFarms' news service, just as the notice to convene will be available on the company's website [www.FirstFarms.com](http://www.FirstFarms.com).

FirstFarms' IR policy can be found here: [www.FirstFarms.dk/en/about-us/our-policies](http://www.FirstFarms.dk/en/about-us/our-policies)

21 March 2024  
16 April 2024  
30 May 2024  
28 August 2024  
27 November 2024

Annual report 2023  
Annual general meeting  
Interim financial report 1 January - 31 March 2024  
Interim financial report 1 January - 30 June 2024  
Interim financial report 1 January - 30 September 2024

# BOARD OF DIRECTORS AND MANAGEMENT

FirstFarms A/S' management consists of Board of Directors and Management.

The Board of Directors is elected by the shareholders to ensure the shareholders' interest in the Group's development in accordance with the business model and strategy.

The Board of Directors must function as an active and positive sparring partner for the Management on strategic and operational initiatives that can contribute to positive business development. In addition, the Board of Directors must act as a control body towards the Management and the Group.

The Management is employed by the Board of Directors and has the day-to-day management of the Group and ensures the implementation of relevant initiatives in accordance with the business model and strategy.

## **The Board of Directors in FirstFarms A/S (P.3.11 in the Recommendations)**

The Board of Directors of FirstFarms consists of six board members elected by the general meeting, who are up for election every year. Immediately after each year's ordinary general meeting, the Board of Directors meets to constitute itself and elect a chairman and, if necessary, a vice chairman.

FirstFarms strives to put together a Board of Directors of members who have sufficient professional qualifications and competences as well as diversity to be able to understand the company's activities and associated risks.

Diversity in the Board of Directors is considered a strength, and differences in competences, work experience, gender and age contribute positively to the Group's development and risk management.

Taking into account the Group's business model and risk profile, the Board of Directors has defined the following competencies, which the Board of Directors should jointly possess:

- Strategic international management experience
- Purchase, sale and merger of companies
- Strategic financial management
- Audit and internal controls
- Corporate governance (legal framework and requirements)
- Strategic planning and risk management
- Organisational development
- Digitalisation
- Business development; including product development
- External communication and branding.

You can read more about the competences and diversity of the members of the Board of Directors on page 65-67.

The Board of Directors in FirstFarms has held five board meetings in 2023.

## **Evaluation of the Board of Directors**

The Board of Directors must carry out an annual evaluation of the Board of Directors according to a fixed internal evaluation procedure, which ensures that the composition of the Board of Directors always meets the strategic tasks and requirements that the Group faces, and where the members' contributions and results are evaluated.

In Q1 2024, the chairman of the Board of Directors held the annual interview with each individual member of the Board of Directors, where the cooperation was evaluated. After the individual interviews were held, an annual dialogue and evaluation was carried out in the entire Board of Directors. The evaluation results show that there is good and effective cooperation in the Board of Directors and between the Board of Directors and the Management.

Focus areas, that the Board of Directors must work on in 2024, were defined in order to make the Board of Director's cooperation even better and make the best possible use of the competences of the Board of Directors.

# BOARD OF DIRECTORS AND MANAGEMENT

## **Committees in the Board of Directors**

Two board committees have been set up in FirstFarms – an audit committee and a remuneration and nomination committee.

Both committees consist of two members.

The audit committee's primary tasks are to assist the Board of Directors in monitoring the financial reporting process; including controlling that the Group complies with the legislative requirements and standards for financial reporting and disclosure in listed companies.

In addition, the audit committee assesses whether the company's internal control system, any internal audit and risk management systems work effectively.

The audit committee consists of Jens Bolding Jensen (chairman) and Henrik Hougaard.

Six audit committee meetings were held in 2023.

The remuneration and nomination committee's primary tasks are to supervise the recruitment of new board members and to define qualifications, competences and diversity that must generally be represented in the Board of Directors, taking FirstFarms' business model and risk profile into account.

In addition, the committee must ensure that the remuneration policy is complied with and that the remuneration of the Board of Directors, Management and senior employees is in accordance with the remuneration policy.

The remuneration and nomination committee consists of Asbjørn Børsting (chairman) and Henrik Hougaard.

One remuneration and nomination committee meeting was held in 2023.





**HENRIK HOUGAARD**  
CHAIRMAN OF THE BOARD OF DIRECTORS

Member of the audit committee and the remuneration and nomination committee

Born 1958 (m) – Entered 2004 – 2,414,846 shares  
Not independent with respect to the recommendations

**MANAGEMENT FUNCTIONS** Henrik Hougaard Invest ApS

**BOARD FUNCTIONS** Scandinavian Farms Invest A/S (CH)  
Fortin Madrejon A/S (CH)  
Thoraso ApS (CH)  
Tolne Skov ApS (CH)  
Skaarupgaard ApS (CH)  
Eskjær Hovedgaard ApS (CH)  
Agrio A/S

**COMPETENCES** Strategic international management experience  
Purchase, sale and merger of companies  
Purchase and development of agriculture worldwide  
Audit and internal controls  
Corporate governance (legal framework and requirements)  
Strategic planning and risk management

**ATTENDANCE** Board meetings: 100%  
Committee meetings: 100%



**ASBJØRN BØRSTING**  
VICE CHAIRMAN

Chairman of the remuneration and nomination committee

Born 1955 (m) – Entered 2014 – 50,597 shares  
Independent with respect to the recommendations

**MANAGEMENT FUNCTIONS** DAKOFO-Dansk Korn og Foder  
Danske Sortsejere

**BOARD FUNCTIONS** Den Europæiske Foderorganisation (FEFAC) (VC)  
Det Nationale Biøkonomipanel (CH)  
Wefri A/S (CH)  
Crop Innovation Denmark (CH)  
Copenhagen Merchants Holding A/S  
Danæg amba  
Karl Pedersen og Hustrus Industrifond  
Promilleafgiftsfonden for Landbrug  
Danhatch Special A/S

**COMPETENCES** Strategic international management experience  
Purchase, sale and merger of companies  
Agricultural expertise

**ATTENDANCE** Board meetings: 100%  
Committee meetings: 100%



**JENS BOLDING JENSEN**  
BOARD MEMBER

Chairman of the audit committee

Born 1963 (m) – Entered 2013 – 10,097 shares  
Independent with respect to the recommendations

**MANAGEMENT FUNCTIONS** Jørgen Schou Holding A/S  
Schou Republic A/S  
SFI Kredit A/S  
Vision Properties A/S  
and others

**BOARD FUNCTIONS** Schou Company A/S (BF)  
(and associated subsidiaries)  
Jørgen Schou Holding A/S  
Schou Republic A/S  
Schou Grand Family Invest A/S  
StartupBooas A/S  
and others

**COMPETENCES** Strategic international management experience  
Purchase, sale and merger of companies  
Strategic financial management  
Audit and internal controls  
Corporate governance (legal framework and requirement)  
Strategic planning and risk management

**ATTENDANCE** Board meetings: 100%  
Committee meetings: 100%



**KARINA BOLDSSEN**  
BOARD MEMBER

Born 1968 (f) – Entered 2020 – 2,899 shares  
Independent with respect to the recommendations

**MANAGEMENT FUNCTIONS** Rådgivningsvirksomheden Karina+  
AROS BOARD Bestyrelsesnetværk  
Ledernetværket 24H For Executives

**BOARD FUNCTIONS** Aarhus Business College (CH)  
Hjelm & Henriksen A/S (CH)  
Aalbæk Badehotel (CH)  
Property Advice (CH)  
FUMAC A/S  
Himmerlandskød A/S  
SH Installation A/S  
Søndergaard EI A/S  
and others

**COMPETENCES** Strategy, development of organisation, management and HR  
Digitalisation and business development  
External communication and branding

**ATTENDANCE** Board meetings: 100%



**BENDT WEDELL**  
BOARD MEMBER

Born 1975 (m) – Entered 2020 – 1,360,829 shares  
Independent with respect to the recommendations

**MANAGEMENT FUNCTIONS** Wefri A/S  
VICUS Slovakiet ApS  
Nitra ApS  
Grevindeskoven ApS  
TCEW  
and others

**BOARD FUNCTIONS** Jera Capital A/S (CH)  
AIC A/S (CH)  
Lengreve Karl Wedells og  
Comtesse Agnes' stiftelse (CH)  
Patriotisk Selskab (VC)  
Danhatch Special A/S (VC)  
Dansk Skovforening  
WekoAgro Machinery  
and others

**COMPETENCES** Purchase and sale of companies  
Agricultural expertise  
Business development, incl. product development  
Branding

**ATTENDANCE** Board meeting: 100%



**CLAUS EWERS**  
BOARD MEMBER

Born 1962 (m) – Entered 2022 – 284,771 shares  
Independent with respect to the recommendations

**MANAGEMENT FUNCTIONS** Brdr. Ewers Holding ApS  
Sønderborg Korn ApS  
and others

**BOARD FUNCTIONS** DUI Holding (CH)  
RPMA (CH)  
Brødr. Ewers (CH)  
Scandinavian Farms Pig Industries  
Fortin Madrejon  
Front Piglets  
Lauegaard  
and others

**COMPETENCES** Purchase and sale of companies  
Agricultural expertise  
Business development, incl. product development

**ATTENDANCE** Board meetings: 80%



## ANDERS HOLGER NØRGAARD

### CEO

Born 1967 (m) – Joined 2012 – 136,435 shares - Warrants: 125,000 pcs.

#### BACKGROUND

Previously board member in a number of companies  
Previous positions:  
Eskelund A/S – Group CFO  
Nordea Bank A/S

#### BOARD FUNCTIONS

Agri Invest A/S  
FirstFarms Hungary A/S (CH)  
FirstFarms Czech A/S (CH)  
FirstFarms Slovakia A/S (CH)  
Anders Holger Invest ApS  
JAS 2020 ApS

#### EDUCATION

AMP from INSEAD  
MBA from Aarhus BSS  
Bachelor of Business Administration (BBA) HDU



# STATUTORY REPORTS

## STATUTORY REPORT FOR **CORPORATE SOCIAL RESPONSIBILITY – CSR** CF. DFSA § 99A

The company's corporate social responsibility report can be downloaded from the Group's website:  
[www.FirstFarms.dk/en/investor-relations/corporate-social-responsibility/2024-annual-report-2023](http://www.FirstFarms.dk/en/investor-relations/corporate-social-responsibility/2024-annual-report-2023)

## STATUTORY REPORT FOR **CORPORATE GOVERNANCE** CF. DFSA § 107B

Cf. Danish Financial Statements Act §107 b, the Board of Directors of FirstFarms A/S must continuously comply with "Recommendations for good Corporate Governance". Overall, the Group follows the recommendations, however, in one case the Board of Directors has chosen not to follow the recommendations or partially follow them. In the case where the recommendations are not followed or partially followed, an explanation is presented as to why the recommendations are not followed. The complete report can be downloaded from the Group's website:  
[www.FirstFarms.dk/en/investor-relations/corporate-governance/2024-annual-report-2023](http://www.FirstFarms.dk/en/investor-relations/corporate-governance/2024-annual-report-2023)

## STATUTORY REPORT OF **DATA ETHICS** JF. DFSA § 99D

Cf. Danish Financial Statements Act § 99D FirstFarms A/S must in the management report explain the company's policy on data ethics. FirstFarms has a policy for data ethics, which defines the framework for the company's work with this; including principles for ethical and responsible data processing in the company. FirstFarms collects data from primary and secondary sources. Data, that the company collects, is both personal and general data.

The company's approach to the collection, handling and processing of personal data is described in FirstFarms' personal data policy. It is available on the company's website.  
[www.FirstFarms.dk/en/about-us/our-policies](http://www.FirstFarms.dk/en/about-us/our-policies)

All data held by FirstFarms is kept to a minimum to fulfill the purpose, is stored securely and accurately, is kept no longer than necessary and is only used for specific and legal business. FirstFarms does not use algorithms, machine learning, artificial intelligence to process data. If FirstFarms implements said methods for data processing, the data ethics policy will be reassessed.  
[www.FirstFarms.dk/en/about-us/our-policies](http://www.FirstFarms.dk/en/about-us/our-policies)

# STATUTORY REPORTS - CONTINUED

STATUTORY REPORT FOR **THE UNDERREPRESENTED GENDER AND DIVERSITY**  
CF. DSFA § 99B AND CF. DSFA § 107D

## Board of Directors and Group Management

FirstFarms strives to compose Board of Directors and Group Management of members, who have an adequate diversity in terms of qualifications, competencies and personal background. It is a prerequisite that members of the Board of Directors and Group Management have sufficient collective knowledge, professional competencies, and experience to be able to understand the company's activities and associated risks.

FirstFarms' Board of Directors covers a wide range of experiences from both Danish and international busi-

ness as well as deep insight into the agricultural industry. FirstFarms' Board of Directors consists of six members elected by the General Assembly. In 2023, the proportion of underrepresented gender in FirstFarms' Board of Directors was 17%.

In 2023, FirstFarms has set a target to increase the proportion of the underrepresented gender to 33%, that at least two members of the company's Board of Directors shall be of the underrepresented gender by 2027.

To reach our goals to increase the proportion of un-

derrepresented gender in the Board of Directors, FirstFarms ensure that new candidates has an optimal combination of diversity and competencies. However, gender is not a decisive factor during the employment process of a new member. Qualifications and competencies that match the company's needs are weighted higher than the gender of the potential candidate.

There was no replacement of board members this year, which is why no significant actions have been taken in connection with increasing the proportion of the underrepresented gender in 2023.

## Gender and diversity in Board of Directors

Indicator	Unit	2023	2022	2021	2020	2019
Board of Directors, FirstFarms A/S*						
Members	Number	6	6	5	5	4
Female	Number	1	1	1	1	0
Male	Number	5	5	4	4	4
Gender Diversity (proportion of underrepresented gender)	%	17	17	20	20	0
Target to increase proportion of underrepresented gender	%	33	25	25	25	25
Year for meeting the target	Year	2027	2023	2023	2023	2023
Average age	Years	60	59	57	56	62
Average seniority	Years	8	7	7	6	7
Nationality						
Danish	Number	6	6	5	5	4
Non-Danish	Number	0	0	0	0	0
Board meetings	Number	5	8	10	14	11
Attendance	%	97	93	94	99	95

\* Members of FirstFarms' Board of Directors elected at a General Meeting.  
This material references GRI 405-1a i,iii, 2020

# STATUTORY REPORTS - CONTINUED

Group Management in FirstFarms A/S consists of four members with no members of the underrepresented gender. FirstFarms has also set a target to increase the proportion of the underrepresented gender in Group Management (parent company FirstFarms A/S) to 25%, that at least one member shall be of the underrepresented gender by 2027. FirstFarms strives to increase diversity among Group Management. In our recruitment process, we have a strong focus on diversity and encourage

candidates with different backgrounds to apply. If it is possible, we strive to create a wide pool of candidates with different backgrounds to conduct interviews with.

There was no replacement of members in the Group Management this year, which is why no significant actions have been taken in connection with increasing the proportion of the underrepresented gender in 2023.

FirstFarms' Diversity and Inclusion policy is available on FirstFarms' website: [https://www.FirstFarms.dk/fileadmin/Politikker/Diversity\\_and\\_inclusion\\_policy.pdf](https://www.FirstFarms.dk/fileadmin/Politikker/Diversity_and_inclusion_policy.pdf)

## Gender and diversity in Group Management

Indicator	Unit	2023
Group Management, FirstFarms A/S*		
Members	Number	4
Female	Number	0
Male	Number	4
Gender Diversity (proportion of underrepresented gender)	%	0
Target to increase proportion of underrepresented gender	%	25
Year for meeting the target	Year	2027
Average age	Years	54
Average seniority	Years	7
Nationality		
Danish	Number	4
Non-Danish	Number	0

\*Group Management of FirstFarms A/S consists of Executive Management registered in Danish Business Authority and the managers employed in FirstFarms A/S with staff responsibility referring to the Executive Management. Number of members is headcount. This material references GRI 405-1a i, iii, 2020





# FINANCIAL **REPORTING**

# MANAGEMENT STATEMENT

Today the Board of Directors and the Management have discussed and approved the annual report for 2023 of FirstFarms A/S.

The annual report has been reported in accordance with IFRS Accounting Standards as approved by the EU and additional requirements in the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, so that the annual report gives a true and fair view of the Group's and parent company's activities, liabilities and financial position as of 31 December 2023 and of the result of the Group's and parent company's activities and cash flows for the financial year 1 January – 31 December 2023.

It is also our opinion that the management report contains a fair report of the development in the activities and financial conditions of the Group and the parent company, the result for the year and the financial position of the Group and the parent company as a whole and a description of the most significant risks and elements of uncertainty that the Group and the parent company face.

It is our opinion that the annual report for the financial year 1 January 2023 - 31 December 2023, with the file name FirstFarms-2023-12-31-da.zip, has been prepared in all material respects in accordance with the ESEF regulation.

The annual report is submitted to the general meeting for approval.

Billund, 21 March 2024

## 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

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of FirstFarms A/S

## Report on the audit of the Financial Statements

### Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

### What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of FirstFarms A/S for the financial year 1 January to 31 December 2023 comprise income statement and total income state, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

### Basis for opinion

We conducted our audit in accordance with Interna-

tional Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

### Appointment

We were first appointed auditors of FirstFarms A/S on 25 April 2017 for the financial year 2017. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 7 years including the financial year 2023.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our

audit of the Financial Statements for 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of biological assets

Long-term and short-term biological assets in form of livestock, breeding and crops are measured at fair value less costs to sell. The total value of the biological assets amounted to 158.6 mDKK as per 31 December 2023 (2022: 132.2 mDKK).

The fair value is based on known transactions and the general pricing in the market as well as an estimate of the biological transformation and quality of the livestock.

We focused on valuation of biological assets as the statement of fair values is complex as there are no objective market prices for crops, pigs and cattle under transformation, and assessments and estimates are involved in the statement.

We refer to note 2 and 5 in the Consolidated Financial Statements.

### How our audit addressed the key audit matter

We assessed whether the accounting policies and method applied for the recognition and measurement of biological assets are in accordance with the relevant accounting standards.

# INDEPENDENT AUDITOR'S REPORT - CONTINUED

We performed risk assessment activities to gain an understanding of IT systems, business processes and relevant controls relating to the valuation of biological assets.

For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement.

We assessed the basis and assumptions for the measurement of biological assets at fair value, including the estimated biological transformation and quality of the livestock. In connection with our assessment, we compared the fair values applied with externally available prices for transformed biological assets.

## **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## **Management's responsibilities for the Financial Statements**

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effective-

# INDEPENDENT AUDITOR'S REPORT - CONTINUED

ness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and perfor-

mance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of FirstFarms A/S for the financial year 1 January to 31 December 2023 with the filename FirstFarms-2023-12-31-da.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single

Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in

# INDEPENDENT AUDITOR'S REPORT - CONTINUED

the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of FirstFarms A/S for the financial year 1 January to 31 December 2023 with the file name FirstFarms-2023-12-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Herning, 21 March 2024

## **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

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Jens Weiersøe Jakobsen  
State Authorised Public Accountant  
mne30152

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Hans Jørgen Andersen  
State Authorised Public Accountant  
mne30211

# INCOME- AND TOTAL INCOME STATEMENT

INCOME STATEMENT tDKK	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
<b>Net turnover</b>	3,4	<b>461,562</b>	<b>418,389</b>	<b>10,881</b>	<b>9,492</b>
Production subsidies	9	62,242	71,562	0	0
Other operating income	10	15,331	3,904	7,500	335
Value adjustment of biological assets	5	9,233	47,138	0	0
<b>Total income</b>		<b>548,368</b>	<b>540,993</b>	<b>18,381</b>	<b>9,827</b>
Cost of sales	6	-271,509	-233,359	0	0
Other external costs		-77,815	-76,554	-5,458	-5,729
<b>Gross profit/loss</b>		<b>199,044</b>	<b>231,080</b>	<b>12,923</b>	<b>4,098</b>
Staff costs	7	-97,802	-84,459	-12,108	-10,978
<b>Earnings before depreciations (EBITDA)</b>		<b>101,242</b>	<b>146,621</b>	<b>815</b>	<b>-6,880</b>
Depreciations	8	-51,147	-50,687	-49	-105
<b>Earnings before interest and tax (EBIT)</b>		<b>50,095</b>	<b>95,934</b>	<b>766</b>	<b>-6,985</b>
Share of profit after tax in subsidiaries	17	0	0	11,014	63,921
Financial income	11	20,105	7044	26,460	17,314
Financial costs	12	-36,639	-19,409	-12,198	-8,784
<b>Pre-tax result</b>		<b>33,561</b>	<b>83,569</b>	<b>26,042</b>	<b>65,466</b>
Tax on net profit	13	-7,518	-18,103	0	0
<b>Net profit</b>		<b>26,042</b>	<b>65,466</b>	<b>26,042</b>	<b>65,466</b>
Earnings per share	14	2.68	7.56	-	-
Diluted earnings per share	14	2.65	6.60	-	-
<b>TOTAL INCOME STATEMENT</b> tDKK	<b>Note</b>	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Net profit		26,042	65,466	26,042	65,466
<b>Other total income</b>					
Items that may be reclassified to the income statement:					
-Exchange rate adjustments by conversion of foreign units		3,854	-725	3,854	-725
Hedging instruments					
-Value adjustment for the year		0	8,646	0	8,646
-Value adjustment reclassified to financial items		-6,672	-435	-6,672	-435
-Tax of other total income		1,401	-1,519	1,401	-1,519
<b>Other total income after tax</b>		<b>-1,417</b>	<b>5,967</b>	<b>-1,417</b>	<b>5,967</b>
<b>Total income</b>		<b>24,625</b>	<b>71,433</b>	<b>24,625</b>	<b>71,433</b>

# BALANCE SHEET

BALANCE SHEET ASSETS tDKK	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Intangible assets</b>	15				
Goodwill		16,083	16,083	0	0
<b>Total intangible assets</b>		16,083	16,083	0	0
<b>Tangible assets</b>	16				
Land		474,449	465,506	0	0
Buildings		397,932	212,734	0	0
Production plants and machinery		160,874	125,469	0	0
Other fixtures and fittings, tools and equipment		13,003	11,922	147	196
Assets under construction and prepayments		54,002	142,705	0	0
<b>Total tangible assets</b>		1100,260	958,336	147	196
<b>Biological assets</b>	5				
Basic herd		61,457	47,792	0	0
<b>Total biological assets</b>		61,457	47,792	0	0
<b>Other non-current assets</b>		0	0	0	0
Investments in subsidiaries	17	0	0	508,178	499,202
Receivables from affiliated companies	19	0	0	316,383	307,413
Other capital shares		45,063	24,197	45,063	24,197
Other receivables		0,000	0	0	0
Deferred tax assets	20	4,454	2,255	0	0
<b>Total other non-current assets</b>		49,517	26,452	869,624	830,812
<b>Total non-current assets</b>		1227,317	1048,663	869,771	831,008
<b>Current assets</b>					
Inventories	18	85,335	124,978	0	0
Biological assets – breeding and crops	5	97,153	84,482	0	0
Receivables from affiliated companies	19	0	0	27,593	17,524
Receivables from sales	19	28,792	26,140	0	0
Other receivables	9,19	33,182	33,132	1,752	3,128
Receivable corporation tax		2,275	0	0	0
Accruals and deferred income		9,755	2,232	0	0
Cash and cash equivalents		25,880	21,860	5,830	0
<b>Total current assets</b>		282,372	292,824	35,175	20,652
<b>TOTAL ASSETS</b>		<b>1,509,689</b>	<b>1,341,487</b>	<b>904,946</b>	<b>851,660</b>



<b>BALANCE SHEET EQUITY AND LIABILITIES</b> tDKK	<b>Note</b>	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	20	99,463	94,603	99,463	94,603
Reserve for net revaluation according to the equity method		0,000	0,000	41,977	33,001
Reserve for exchange rate adjustments		-34,479	-38,333	0	0
Reserve for cash flow hedge		0	5,271	0	0
Transferred results		657,212	612,533	580,756	546,47
Proposed dividend		0	8,987	0	8,987
<b>Total equity</b>		<b>722,196</b>	<b>683,061</b>	<b>722,196</b>	<b>683,061</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred tax	21	41,598	40,911	0	0
Debt for affiliated companies		0	0	41,138	28,301
Credit institutions	23	537,748	327,815	118,491	55,774
Convertible bonds	22	0	0	0	0
Other detbs		5,547	13,229	0	9,240
Accruals and deferred income	9	70,144	22,391	0	0
<b>Total non-current liabilities</b>		<b>655,037</b>	<b>404,346</b>	<b>159,629</b>	<b>93,315</b>
<b>Current liabilities</b>					
Credit institutions	23	70,306	149,850	9990	27340
Convertible bonds	22	0	22,351	0,000	22,351
Trade payables and other payables	24	57,033	74,437	13,131	25,593
Corporation tax	25	1791	4,819	0	0
Accruals and deferred income	9	3,326	2,623	0	0
<b>Total current liabilities</b>		<b>132,456</b>	<b>254,080</b>	<b>23,121</b>	<b>75,284</b>
<b>Total liabilities</b>		<b>787,493</b>	<b>658,426</b>	<b>182,750</b>	<b>168,599</b>
<b>TOTAL LIABILITIES</b>		<b>1,509,689</b>	<b>1,341,487</b>	<b>904,946</b>	<b>851,660</b>
Accounting policies applied	1				
Accounting estimates	2				
Contingent liabilities, contingent tax and securities	26				
Fees to auditors appointed at the general meeting	27				
Change in working capital	28				
Non-cash transactions	29				
Financial assets and liabilities	30				
Risk management	31				
Related parties	32				
Subsequent events	33				
New accounting regulation	34				

# EQUITY STATEMENT

EQUITY STATEMENT GROUP tDKK	Share capital	Reserve for exchange rate adjustment	Reserve for hedging transactions	Transferred result	Proposed divi- dend	Total
<b>Equity 1 January 2023</b>	<b>94,603</b>	<b>-38,333</b>	<b>5,271</b>	<b>612,533</b>	<b>8,987</b>	<b>683,061</b>
<b>Total income 2023</b>						
Net profit	0	0	0	26,042	0	26,042
<b>Other total income</b>						
Exchange rate adjustments	0	3,854	0	0	0	3,854
Adjustment of hedging instrument	0	0	-6,672	0	0	-6,672
Tax on other total income	0	0	1,401	0	0	1,401
<b>Other total income</b>	<b>0</b>	<b>4</b>	<b>-5,271</b>	<b>0</b>	<b>0</b>	<b>-1,417</b>
<b>Total income for the year</b>	<b>0</b>	<b>3,854</b>	<b>-5,271</b>	<b>26,042</b>	<b>0</b>	<b>24,625</b>
<b>Transactions with owners</b>						
Proposed dividend	0	0	0	0	-8,987	-8,987
Acquisition of company	0	0	0	0	0	0
Conversion of bonds	4,860	0	0	17,491	0	22,351
Utilisation of warrants	0	0	0	0	0	0
Share-based remuneration	0	0	0	1,146	0	1,146
<b>Total transactions with owners</b>	<b>4,860</b>	<b>0</b>	<b>0</b>	<b>18,637</b>	<b>-8,987</b>	<b>14,510</b>
<b>Equity 31 December 2023</b>	<b>99,463</b>	<b>-34,479</b>	<b>0</b>	<b>657,212</b>	<b>0</b>	<b>722,196</b>
<b>Equity 1 January 2022</b>	<b>78,610</b>	<b>-37,608</b>	<b>-1,421</b>	<b>483,870</b>	<b>6,682</b>	<b>530,133</b>
<b>Total income 2022</b>						
Net profit	0	0	0	56,479	8,987	65,466
<b>Other income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Exchange rate adjustments	0	-725	0	0	0	-725
Adjustment of hedging instrument	0	0	8,211	0	0	8,211
Tax on other total income	0	0	-1,519	0	0	-1,519
<b>Other total income</b>	<b>0</b>	<b>-725</b>	<b>6,692</b>	<b>0</b>	<b>0</b>	<b>5,967</b>
<b>Total income</b>	<b>0</b>	<b>-725</b>	<b>6,692</b>	<b>56,479</b>	<b>8,987</b>	<b>71,433</b>
<b>Transactions with owners</b>						
Proposed dividend	0	0	0	-271	-6,682	-6,953
Conversion of bonds	15,313	0	0	68,982	0	84,295
Utilisation of warrants	680	0	0	2,631	0	3,311
Share-based remuneration	0	0	0	842	0	842
<b>Total transactions with owners</b>	<b>15,993</b>	<b>0</b>	<b>0</b>	<b>72,184</b>	<b>-6,682</b>	<b>81,495</b>
<b>Equity 31 December 2022</b>	<b>94,603</b>	<b>-38,333</b>	<b>5,271</b>	<b>612,533</b>	<b>8,987</b>	<b>683,061</b>

<b>EQUITY STATEMENT PARENT COMPANY</b> tDKK	<b>Share capital</b>	<b>Net revaluati- on according to the equity method</b>	<b>Transferred result</b>	<b>Proposed dividend</b>	<b>Total</b>
<b>Equity 1 January 2023</b>	<b>94,603</b>	<b>33,001</b>	<b>546,470</b>	<b>8,987</b>	<b>683,061</b>
<b>Total income 2023</b>					
Net profit	0	10,393	15,649	0	26,042
Transfer	0	0	0	0	0
<b>Other total income</b>					
Exchange rate adjustment of subsidiaries	0	3,854	0	0	3,854
Other total income	0	-6,672	0	0	-6,672
Tax on other total income	0	1,401	0	0	1,401
<b>Other total income</b>	<b>0</b>		<b>0,000</b>	<b>0</b>	<b>-1,417</b>
<b>Total income for the year</b>	<b>0</b>	<b>8,976</b>	<b>15,649</b>	<b>0</b>	<b>24,625</b>
<b>Transactions with owners</b>					
Proposed dividend	0	0	0	-8,987	-8,987
Conversion of bonds	4,860	0	17,491	0	22,351
Utilisation of warrants	0	0	0	0	0
Share-based remuneration	0	0	1,146	0	1,146
<b>Total transactions with owners</b>	<b>4,860</b>	<b>0</b>	<b>18,637</b>	<b>-8,987</b>	<b>14,510</b>
<b>Equity 31 December 2023</b>	<b>99,463</b>	<b>41,977</b>	<b>580,756</b>	<b>0</b>	<b>722,196</b>
<b>Equity 1 January 2022</b>	<b>78,610</b>	<b>0</b>	<b>444,841</b>	<b>6,682</b>	<b>530,133</b>
<b>Total income 2022</b>					
Net profit	0	63,921	-7,442	8,987	65,466
Transfer	0	-36,887	36,887	0	0
<b>Other total income</b>					
Exchange rate adjustment of subsidiaries	0	-725	0	0	-725
Other total income	0	8,211	0	0	8,211
Tax on other total income	0	-1,519	0	0	-1,519
<b>Other total income</b>	<b>0</b>	<b>5,967</b>	<b>0</b>	<b>0</b>	<b>5,967</b>
<b>Total income for the year</b>	<b>0</b>	<b>33,001</b>	<b>29,445</b>	<b>8,987</b>	<b>71,433</b>
<b>Transactions with owners</b>					
Proposed dividend	0	0	-271	-6,682	-6,953
Conversion of bonds	15,313	0	68,982	0	84,295
Utilisation of warrants	680,000	0	2,631	0	3,311
Share-based payment	0	0	842	0	842
<b>Total transactions with owners</b>	<b>15,993</b>	<b>0</b>	<b>72,184</b>	<b>-6,682</b>	<b>81,495</b>
<b>Equity 31 December 2022</b>	<b>94,603</b>	<b>33,001</b>	<b>546,470</b>	<b>8,987</b>	<b>683,061</b>

# CASH FLOW STATEMENT

CASH FLOW STATEMENT tDKK	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Pre-tax result (In the parent company ex. result of subsidiaries)		33,561	83,569	15,028	1,545
Adjustments for non-monetary operating items etc.:					
Depreciation/amortisation	8	51,147	50,687	49	105
Reversal of profit, sale of non-current assets and badwill	10	-9,805	-0,953	-7,500	0
Value adjustment of biological assets	5	-9,233	-47,138	0	0
Financial income	11	-20,105	-7,044	-26,460	-17,314
Financial costs	12	36,639	19,409	12,198	8,784
Share-based remuneration		1,146	842	1146	842
<b>Cash flow from operating activities before changes in working capital</b>		<b>83,350</b>	<b>99,372</b>	<b>-5,539</b>	<b>-6,038</b>
Change in working capital	28	50,203	-9,679	-8,547	-7,257
<b>Cash flow from primary operations</b>		<b>133,552</b>	<b>89,693</b>	<b>-14,086</b>	<b>-13,295</b>
Interest received		15,605	7,044	26,460	17,314
Interest paid		-31,966	-19,236	-12,198	-8,611
Paid corporation tax	25	-13,667	-7,685	0	0
<b>Cash flow from operating activities</b>		<b>103,524</b>	<b>69,816</b>	<b>0,176</b>	<b>-4,592</b>
Addition at acquisition of company		0	-27,168	0	0
Acquisitions of financial fixed assets		-20,866	-24,197	-20,866	-24,197
Sale of company		0	0	619	0
Disposal of material assets, paid	29	5,291	6,418	0	210
Acquisition of tangible assets		-179,457	-200,427	0	-245
<b>Cash flow from investing activities</b>		<b>-195,032</b>	<b>-245,374</b>	<b>-20,247</b>	<b>-24,232</b>
Paid dividend		-8,987	-6,953	-8,987	-6,953
Utilisation of warrants		0	3,311	0	3,311
Repayment of convertible bonds	29	0	-750	0	-750
Proceeds from borrowing/paying off loans	23	339,186	179,244	74,281	83,864
Repayment of debt to credit institutions	23	-220,321	-40,553	-28,914	-944
Proceeds from borrowing/paying off other debt		-14,349	-14,349	-14,349	-14,349
Loan to affiliated companies		0	0	3,867	-82,145
<b>Cash flow from financing activities</b>		<b>95,529</b>	<b>119,95</b>	<b>25,898</b>	<b>-17,966</b>
<b>Cash flow for the year</b>		<b>4,021</b>	<b>-55,608</b>	<b>5,827</b>	<b>-46,790</b>
Cash and cash equivalents, beginning of period		21,859	77,467	0	46,790
Exchange rate adjustment of cash and cash equivalents		0	0	3	0
<b>Cash and cash equivalents, end of year</b>		<b>25,880</b>	<b>21,859</b>	<b>5,830</b>	<b>0</b>

2022

With the acquisition of FirstFarms HunAgro Kft., 408 tDKK was provided in cash and cash equivalent. The amount is offset in the addition at acquisition of company under cash flow from investment activity.

# NOTES FOR CONSOLIDATED ANNUAL ACCOUNTS

## 1. ACCOUNTING POLICIES

FirstFarms A/S is a public limited company domiciled in Denmark. The annual report for 2023 comprises both the consolidated financial statement of FirstFarms A/S and its subsidiaries for the period 1 January – 31 December 2023 and separate parent company financial statements. The annual report of FirstFarms A/S has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements.

### *Basis for preparation*

The annual report has been presented in DKK. The annual report has been prepared on the historical cost basis except for biological assets and certain financial instruments, which are measured at fair value.

The accounting policies are unchanged compared to last year.

### **The consolidated financial statements**

Consolidated financial statements comprise the parent company FirstFarms A/S and subsidiaries in which FirstFarms A/S has control.

The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to

affect those returns through its power to direct the activities of the entity. In evaluating if the group has control, de facto control and potential voting rights are considered, which on the balance sheet day are real and have substance.

Entities over which the group has significant influence but not control or joint control are classified as associated companies. This is generally the case where the group holds more than 20% but less than 50% of the voting rights. In evaluating if FirstFarms A/S has control or significant influence, potential voting rights are considered, which on the balance sheet day can be utilised.

The consolidated financial statement is prepared as a summary of the parent company and subsidiaries annual reports after the Groups accounting policies eliminated for group internal income and costs, shareholdings, intercompany balances, dividends and realised and unrealised gains on transactions between consolidated entities.

### **Business combinations**

In connection with acquisition of businesses it is considered whether it is acquisition of a company or acquisition of assets under IFRS 3. If it is considered acquisition of a business the below accounting method is used. If it is considered acquisition of assets and comply with the conditions, then the assets

are recognised at cost price according to accounting policies for this and are allocated according to the agreement.

When acquiring new companies, where the group gets control over the acquired company, the takeover method is used. The acquired companies' identifiable assets, liabilities and contingent liabilities are measured at fair value at the time of takeover.

Identifiable intangible assets are recognised, if they can be separated or arise from a contractual right.

Deferred tax is recognised on the revaluations made.

At the takeover, the difference between the cost price and the accounting equity value of the acquired company is calculated at the time of acquisition, after the individual assets and liabilities have been adjusted to fair value. Remaining positive difference amounts are recognised in the balance sheet under intangible fixed assets as goodwill. Remaining negative difference amounts are recognised immediately in the income statement.

The takeover date is the time when the Group actually gets control over the company taken over.

Positive and negative difference amounts from acquired companies can, as a result of changes in the

recognition and measurement of net assets, be adjusted for up to 12 months after the acquisition. These adjustments are simultaneously reflected in the value of goodwill or negative goodwill.

### **Foreign currency conversion**

A functional currency is determined for each of the reporting companies in the group. The functional currency is the currency used in the primary economic environment in which the individual reporting company operates. Transactions in currencies other than the functional currency are foreign currency transactions.

Transactions in foreign currency are converted upon initial recognition to the functional currency at the exchange rate on the day of the transaction. Exchange rate differences that arise between the exchange rate on the day of the transaction and the exchange rate on the day of payment are recognised in the income statement under financial income or costs.

Receivables, debts and other monetary items in foreign currency are converted to the functional accounts directly in equity under a separate reserve for exchange rate adjustments. currency at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time the receivable or

debt arose or the exchange rate in the most recent annual report is recognised in the income statement under financial income and expenses.

When companies with a functional currency other than Danish kroner are included in the consolidated accounts, the income statements are converted to the exchange rate on the day of the transaction, and the balance sheet items are converted to the exchange rates on the balance sheet date. The average exchange rate for the individual months is used as the exchange rate on the day of the transaction, to the extent that this does not give a significantly different picture.

Exchange rate differences, arising from the conversion of these companies' equity at the beginning of the year to the exchange rates on the balance sheet date, as well as from the conversion of income statements from the exchange rate on the transaction date to the exchange rates on the balance sheet date, are recognised in other total income in a separate reserve for exchange rate adjustment. Exchange rate adjustments of balances that are considered part of the total net investment in companies with a functional currency other than DKK are recognised in the annual

Similarly, in the annual accounts, exchange rate gains/losses on the part of loans and derivative fi-

ancial instruments entered to hedge the net investment in these companies, and which effectively hedge against corresponding exchange rate gains/losses on the net investment in the company, are recognised in other total income in a separate reserve for exchange rate adjustments.

In the event of disposal or partial disposal of 100% owned foreign entities, the exchange rate adjustments that have accumulated in equity via other total income and which can be attributed to the entity are reclassified from "Reserve for exchange rate adjustment" to the income statement together with any gain or loss on the disposal.

Receivables, debts and other monetary items in foreign currency are converted to the functional currency at the exchange rate on the balance sheet date. The difference, between the exchange rate on the balance sheet date and the exchange rate at the time the receivable or debt arose or the exchange rate in the most recent annual report, is recognised in the income statement under financial income and expenses.

When companies with a functional currency other than DKK are included in the consolidated financial statements, the income statements are converted to the exchange rate on the day of the transaction, and the balance sheet items are converted to the ex-

change rates on the balance sheet date. The average exchange rate for the individual months is used as the exchange rate on the day of the transaction, to the extent that this does not give a significantly different picture.

Exchange rate differences, arising from the conversion of these companies' equity at the beginning of the year to the exchange rates on the balance sheet date, as well as from the conversion of income statements from the exchange rate on the transaction date to the exchange rates on the balance sheet date, are recognised in other total income in a separate reserve for exchange rate adjustment. Exchange rate adjustments of balances that are considered part of the total net investment in companies with a functional currency other than DKK are recognised in the annual accounts directly in equity under a separate reserve for exchange rate adjustments.

Similarly, in the annual accounts, exchange rate gains/losses on the part of loans and derivative financial instruments entered to hedge the net investment in these companies, and which effectively hedge against corresponding exchange rate gains/losses on the net investment in the company, are recognised in other total income in a separate reserve for exchange rate adjustments.

When divesting 100%-owned foreign entities, the

exchange rate adjustments that have accumulated in equity via other total income, and which can be attributed to the entity, are reclassified from "Reserve for exchange rate adjustment" to the income statement together with any gain or loss on the divestiture.

Repayment of balances that are considered part of the net investment is not in itself considered a partial divestment of the subsidiary.

### **The income statement**

#### ***Net turnover***

Net turnover from the sale of commodities and finished products, comprising crops, animals and related products, is recognised in the income statement, when the control is passed on to the buyer at delivery at farm. This is considered to have occurred, when delivery and transfer of risk to the buyer has taken place before year end and if the income can be reliably measured and is expected to be received.

The net turnover is measured excl. VAT and taxes charged on behalf of third party. All types of discounts granted are recognised in the net turnover.

#### ***Production subsidies***

Production subsidies include:  
Hectare subsidies, cattle subsidies and subsidies for pig production are recognised on an ongoing basis

in the income statement as the right to the subsidy is built up. Until payment of the subsidy, which is typically made at the end of the financial year or at the beginning of the following financial year, the subsidy is recognised under other receivables in the balance sheet.

Subsidies for investments/acquisition of assets, which are recognised in the balance sheet under accruals (liabilities) and are transferred to production subsidies in the income statement in line with depreciation of the assets to which the subsidies relate.

#### ***Value adjustment of biological assets***

Value adjustment of biological assets includes value adjustment to fair value less realisation costs.

The value adjustment is made both for the herd (non-current assets) and for the breeding and crops (current assets).

#### ***Other operating income***

Other operating income contains accounting items of a secondary nature in relation to the companies' activities, including profit from ongoing sales and replacement of intangible and tangible assets.

Profit from the sale of intangible and tangible assets is calculated as the sales price less sales costs and the accounting value at the time of sale.

### **Cost of sales**

Cost of sales includes direct costs for raw materials and supplies incurred to achieve the year's turnover. Cost of sales is recognised concurrently with realisation of the turnover.

### **Other external costs**

Other external costs include cost relating to the Group's primary activities, including premises costs, office costs etc. The item also includes writedowns of receivables recognised under current assets.

### **Staff costs**

Staff costs include salaries and wages as well as costs for social security, pensions etc. for the company's employees.

### **Depreciations and write-downs**

Depreciation and write-downs of tangible and intangible fixed assets consist of the financial year's depreciation and write-downs calculated based on the determined residual values, useful lives of the individual assets, completed impairment tests, and of gains and losses from the sale of tangible and intangible fixed assets.

### **Result of capital shares in subsidiaries**

In the parent company's income statement, the proportionate share of the individual subsidiaries' profit after tax is recognised after full elimination of internal profit/loss.

### **Financial income and expenses**

Financial income and expenses include interests, capital gains and losses as well as write-downs relating to securities, debts and transactions in foreign currency, amortisation of financial assets and liabilities and surcharges and refunds under the on-account tax scheme etc.

### **Derivative financial instruments**

Derivative financial instruments are initially recognised in the balance sheet at cost price and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other liabilities" respectively.

Changes in the fair value of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is classified as and meets the criteria for accounting hedging, cf. below.

### **Accounting hedging**

Changes in the fair value of financial instruments that are classified as and meet the criteria for hedging the fair value of a recognised asset or liability are recognised in the income statement together with the changes in the fair value of the hedged asset or liability attributable to the risk that is insured.

Changes in the fair value of financial instruments,

that are classified as and fulfil the conditions for hedging of expected future transactions are recognised in equity under transferred result for the effective portion of the hedge. The ineffective portion is recognised in the income statement.

If the hedged transaction results in an asset or liability, the amount deferred under equity is transferred from equity and recognised in the cost price of the asset or liability, respectively. If the hedged transaction results in an income or expense, the amount deferred under equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair value of financial instruments, classified as and meeting the criteria for hedging net investments in independent foreign subsidiaries or associated companies, are recognised directly in equity for the effective part of the hedge, while the ineffective part is recognised in the income statement.

### **Tax on the year's result**

Tax on the year's result, which consists of current tax for the year and changes in deferred tax for the year, is recognised in the income statement with the part that can be attributed to the result of the year and directly on the equity with the part that can be attributed to equity transactions.



The tax recognised in the income statement is classified as tax of ordinary operation and other taxes, respectively.

Change in deferred taxes due to change in tax percentages are recognised in the income statement.

The parent company is jointly taxed with Danish subsidiaries. Foreign subsidiaries are not covered by joint taxation. The tax effect of the joint taxation with the subsidiaries is distributed to both profitmaking and loss-making companies in relation to their taxable income (full distribution with refund regarding tax losses).

The jointly taxed companies are included in the tax prepayment scheme.

## **The balance sheet**

### *Intangible assets*

Goodwill Goodwill is initially recognised in the balance sheet at cost price.

Subsequently, goodwill is measured at cost price less accumulated impairment losses. Goodwill is not amortised.

The accounting value of goodwill is allocated to the Group's cash flow generating units at the time of takeover.

The determination of cash flow generating units follows the managerial structure and internal financial control.

### *Tangible assets*

Land, land and buildings, production facilities and machinery as well as other facilities, operating equipment and fixtures are measured at cost less accumulated depreciation and write-downs. The cost price includes the acquisition price as well as costs directly associated with the acquisition until the time when the asset is ready for use. Loan costs are activated.

For own produced assets, the cost price includes direct and indirect costs for materials, components, subcontractors and wages.

The cost price is added to the present value of estimated obligations to dismantle and dispose of the asset as well as to re-establish the place where the asset was used. The cost price of a total asset is divided into separate components, which are depreciated separately, if the useful life of the individual components is different. For financially leased assets, the cost price is calculated at the lowest value of the assets' fair value or the present value of the future minimum lease payments. When calculating the present value, the leasing agreement's internal interest rate is used as a discount factor or an approximate value for this.

Subsequent costs, e.g. when replacing components of a tangible asset, is recognized in the accounting value of the asset in question when it is likely that the holding will result in future financial benefits for the group. Recognition of the replaced components in the balance sheet ceases, and the accounting value is transferred to the income statement. All other costs for ordinary repair and maintenance are recognised in the profit and loss account when held.

Values according to rental and leasing contracts, calculated according to IFRS 16, are depreciated over the term of the contracts.

Tangible assets are depreciated on a straight-line basis over the assets/components expected service life.

Buildings	15-30 years
Plants and machinery	5-10 years
Fixtures and fittings, other plants and equipment	3-7 years

Land and plots are not depreciated. However, assets recognised under land in accordance with lease agreements according to IFRS 16.

The depreciation basis is calculated taking into account the asset's scrap value and is reduced by any write-downs.

The scrap value is determined at the time of acquisition and is reassessed annually. If the scrap value exceeds the asset's accounting value, depreciation ceases. In the event of a change in the depreciation period or the scrap value, the effect for depreciation going forward is recognized as a change in accounting estimate.

#### ***Biological assets – non-current assets***

Biological assets, which include herd of animals, are listed on non-current assets and are measured at fair value less realisation costs.

#### ***Capital shares in subsidiaries***

Capital shares in subsidiaries are measured according to equity value method.

Capital shares in subsidiaries are measured at the proportional share of the companies' equity value calculated according to the Group's accounting practices with deductions or additions of unrealised intra-group profits and losses and with additions or deductions of the residual value of positive or negative goodwill calculated according to the takeover method.

Capital shares in subsidiaries with a negative net asset value for accounting purposes are measured at DKK 0, and any receivables from these companies are written down to the extent that the receivables are uncollectible. To the extent that the parent company

has a legal or actual obligation to cover an under-balance that exceeds the receivable, the remaining amount is recognised under provisions.

Net revaluation of capital shares in subsidiaries is shown as a reserve for net revaluation according to the equity method in equity to the extent that the accounting value exceeds the cost price. Dividends from subsidiaries, which are expected to be adopted before the approval of the annual report for First-Farms A/S, are not tied to the reserve for net revaluation according to the equity method.

At acquisitions of subsidiaries the purchase method is used, cp. description above under the consolidated accounts.

#### ***Impairment of non-current assets***

Goodwill is subject to annual impairment tests, initially before the end of the acquisition year.

#### ***Other capital shares***

Other capital shares, which are shares in unlisted companies, are recognised under non-current assets at fair value plus costs on the trade date and are subsequently measured at fair value. Dividends are recognised in the income statement, unless the dividend clearly constitutes recovery of part of the cost price of the investment. Remaining value adjustments are recognised in the income statement under financial items.

The fair value is calculated at an estimated fair value calculated on the basis of current market data and recognised valuation methods for unlisted securities.

The accounting value of goodwill is tested for impairment together with the other non-current assets in the cash generating unit, to which goodwill is allocated, and written down to the recoverable amount over the income statement, if the carrying amount is higher. The recoverable amount is generally computed as the present value of the expected future net cash flows from the enterprise or activity (cash generating unit) to which goodwill is allocated. Impairment of goodwill is recognised in a separate line item in the income statement. Deferred tax assets are evaluated annually and are only recognised to the extent that it is possible that they will be utilised.

The accounting value of other non-current assets is assessed annually to determine whether there is an indication of impairment. When such an indication is present, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the asset's fair value less expected disposal costs or capital value. The capital value is calculated as the present value of expected future cash flows from the asset or the cash-flow generating unit of which the asset is a part.

An impairment loss is recognised when the accounting value of an asset or a cash-flowgenerating unit

exceeds the recoverable amount of the asset or the cash-flow-generating unit. Impairment losses are recognised in the income statement under production and administrative costs, respectively.

Impairment on goodwill is not reversed. Impairment on other assets is reversed to the extent that there have been changes in the assumptions and estimates that led to the impairment.

Write-downs are reversed only to the extent that the asset's new accounting value does not exceed the accounting value the asset would have had after depreciation, if the asset had not been written down.

### ***Inventories***

Inventories are measured at cost price according to the FIFO-method. If the net realisable value is lower than the cost price, it is written down to this lower value.

The cost price for goods for resale as well as raw materials and consumables includes the acquisition price with the addition of repatriation costs. Cost price for manufactured finished goods as well as goods under manufacture includes cost price for raw materials, consumables, direct wages and indirect production costs.

The net realisable value of inventories is calculated as

the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

The value of inventories is measured at cost with the addition of indirect production costs.

At the harvest date, crops are transferred from biological assets to inventories at fair value less realisation costs, which then reflect the cost price.

### ***Biological assets – current assets***

Biological assets, comprising animals held for breeding and crops listed under current assets, are measured at fair value less realization costs.

### ***Receivables***

Receivables are measured at amortised cost. Write-down is made for expected credit loss on individual basis, using the simplified model for receivables from sale.

### ***Accruals***

Accruals, recognised under assets, comprise costs incurred concerning subsequent financial years and are measured at cost price.

## **Equity**

### **Reserve for exchange rate adjustment**

The reserve for exchange rate adjustments in the annual accounts includes the parent company shareholders' share of exchange rate differences arising from the conversion of accounts for foreign companies from their functional currencies to the FirstFarms group's presentation currency (DKK). The reserve is not distributable.

### ***Dividend***

Proposed dividend is recognised as a liability at the date for adoption at the annual general meeting (declaration date).

Dividend, which is expected pay for the year, is disclosed as a separate item under equity. Dividend on account is recognised as a liability at the time of decision.

### ***Own shares***

Acquisition and disposal sum as well as dividends for own shares are recognised directly in transferred result in the equity. Capital reduction by cancellation of own shares reduces the share capital by an amount corresponding to the nominal value of the capital shares. Proceeds from the sale of own shares or the issue of shares in FirstFarms A/S in connection with the utilisation of warrants or employee shares are entered directly in the equity.

## **Employee benefits**

### ***Pensions***

The group has entered into pension agreements with some of the Group's employees. The Group has no defined benefit pension schemes.

Obligations relating to defined contribution pension schemes, where the group regularly pays fixed pension contributions to independent pension companies, are recognised in the income statement in the period they are earned, and payments due are recognised in the balance sheet under other liabilities.

### ***Warrant program***

The value of services received in exchange for allocated warrants is measured at the fair value of the warrants.

FirstFarms A/S only has equity-settled programs for which the warrants are measured at the fair value at the allocation date and recognised in the income statement under staff costs over the vesting period. The set-off item is recognised directly in equity. On initial recognition of the warrants, the company estimates the number of warrants, which the employees are expected to vest.

Subsequently, adjustments are made for changes in the estimate of the number of legally acquired warrants, so that the total recognition is based on the

actual number of legally acquired warrants. The fair value of allocated warrants is estimated using a warrant pricing model, considering the terms and conditions upon which the warrants were allocated.

### **Payable tax and deferred tax**

Current tax liabilities and receivables are recognised in the balance sheet as calculated tax on the year's taxable income, adjusted for tax on previous years' taxable income and for taxes paid on account. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences - apart from business combinations - arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as

a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses. Deferred tax is measured based on the tax rules and the tax rates applicable in the respective countries at the balance sheet date, when the deferred tax is expected to be realised as current tax. Change in deferred tax, as a result of changes in tax rates, is recognised in the income statement.

### **Provisions**

Provisions are recognised when, as a result of events arising before or at the balance sheet date, the Group has a legal or a constructive obligation and it is probable that financial benefits will have to be provided to fulfil the obligation.

When measuring provisions, the costs necessary to settle the obligation are discounted if this has a significant effect on the measurement of the obligation. A pre-tax discount factor is used which reflects current market level of interest and the specific risks associated with the obligation. The financial year's shift in present values is recognised under financial costs.

The amount recognised as a provision is the Management's best estimate of the expenses required

to settle the obligation. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

When the Group has a legal obligation to dismantle or remove an asset or restore the site on which the asset is located, a provision is recognised corresponding to the present value of estimated future costs.

### **Convertible bonds**

Convertible bonds are issued with a fixed conversion price and are regarded as combined instruments consisting of a financial obligation measured at amortised cost price and an equity instrument in form of the integrated right to convert. At the date of issuance, the fair value of the financial obligation is determined by use of a market interest corresponding to a similar non-convertible debt instrument. The difference between the proceeds at issuance of the convertible bond and the fair value of the financial obligation, corresponding to the integrated option to convert the obligation to equity, is recognised directly on the equity. The fair value of the financial obligation is recognised as longterm debt and afterwards measured at amortised cost price. When extending convertible bonds, a calculation is made at amortised cost in relation to the extension, a possible

difference is recognised in the income statement.

At conversion of convertible bonds, the conversion is recognised on the equity as an increase in the capital at the agreed price; the recognition of the equity corresponds to the booked value.

### **Financial liabilities**

Debt to credit institutions etc. are recognised when taking out loan to the proceeds received after deduction of paid transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost price using “the effective interest method”, so the difference between the proceeds and the nominal value is recognised in the income statement under financial costs over the loan period.

Financial liabilities also include the capitalised residual obligation on finance leases. The value of hedging instruments is also included to hedge the Group’s future interest obligations. Other liabilities are measured at net realisable value.

### **Leasing**

A leasing asset and a leasing liability are recognised in the balance sheet when the group, in accordance with a concluded leasing contract, relating to a specific identifiable asset, is made the leasing asset available for a leasing period, and when the group obtains the right to substantially all of the financial

benefits from the use of the identified asset and the right to determine the use of the identified asset.

On initial recognition, the lease asset is measured at cost price, this is equivalent to the lease obligation corrected for prepaid leases plus direct related costs.

Subsequently, the asset is measured at cost price deducted accumulated amortisation and impairment losses.

The lease asset is depreciated over the shorter of the lease term and the useful life of the lease asset. Depreciation is recognised on a straight-line basis in the income statement.

On initial recognition, the lease obligation is measured at the present value of future lease payments discounted at an alternative loan rate.

The following lease payments are recognised as part of the lease obligation:

- Fixed payments
- Variable payments that change with changes in an index or an interest rate, based on the current index or interest rate
- Payments due under outstanding debt guarantee
- The utilisation price for call options that the Management is highly likely to utilise
- Payments covered by an extension option, which the Group is highly likely to utilise

- Penalty related to a termination options, unless the Group in all probability does not expect to utilise the option.

The lease obligation is measured at amortised cost price using the effective interest method. The lease obligation is recalculated if the Group changes its assessment of whether an extension or termination option is reasonably likely to be exercised.

The Group presents the leasing asset under the respective types of assets and the lease obligation under debt to credit institutions (leasing debt).

### **Accruals**

Accruals, recognised under liabilities, include payments received regarding income in subsequent years, mainly regarding subsidies.

### **Fair value measurement**

FirstFarms uses the fair value concept for recognition of biological assets and for recognition of the value of financial instruments.

The fair value is defined as the price that can be obtained by selling an asset or payable for transferring a liability in an ordinary transaction on a market with independent parties. Fair value is based on a primary market.

There are three levels of the fair value hierarchy for estimating the value:

1. Statement from fair value in a similar market for identical assets and liabilities that FirstFarms has access to on the balance sheet date
2. Statement by accepted valuation methods based on observable market information
3. Statement from generally accepted valuation methods and reasonable estimates.

### **Cash flow statement**

The cash flow statement shows the cash flows from operating, investing and financing activity for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year. The cash flow effect of acquisitions and sales of companies is shown separately in cash flows from investing activities.

Cash flows from acquisitions of companies are recognised in the cash flow statement from the date of acquisition. Cash flows from sales of companies are recognised up until the date of sale.

### **Cash flow from operating activity**

Cash flows from operating activity are calculated after the indirect method as the profit/loss before tax adjusted for non-cash operating items, changes in working capital, interests, dividends and corporation tax paid.

### **Cash flow from investing activity**

Cash flows from investing activity comprise payments in connection with acquisitions and sales of companies and activities and of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and sale of securities not recognised as cash and cash equivalents.

### **Cash flow from financing activity**

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, acquisition and sale of own shares and payment of dividends to shareholders.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash resources. Cash flows in other currencies than the functional currency is translated at average exchange rates unless they deviate materially from the exchange rates at the transaction date.

### **Segment information**

Information is provided on business segments, which also represent the Group's primary reporting format, and geographical markets. Segment information is based on the Group's risks, management and internal financial management.

Segment information is provided in accordance with the Group's accounting policies.

Segment revenue and costs and segment assets and liabilities comprise items which are directly attributable to the individual segment on a reliable basis. Unallocated items primarily comprise assets and liabilities and income and costs related to the Group's administrative functions, financing conditions, income taxes etc.

Non-current segment assets comprise non-current assets used directly in the operating activities of the segment, including intangible and tangible assets.

Segment liabilities comprise liabilities resulting from the operating activities of the segment, including bank debt, debt to parent company, trade payables and other payables.

## 2. ACCOUNTING ESTIMATES AND JUDGMENTS

Determining the carrying value of certain assets and liabilities requires judgments, estimates and assumptions about future events. The estimates and assumptions carried out are i.e. based on historical experiences and other factors which the Management assesses to be reliable but which inherently are uncertain and unpredictable. The assumptions can change, and unexpected events or circumstances may occur. As a result of the risks and uncertainties that the Group is subject to, actual results may differ from these estimates. It may be necessary to change previous estimates as a result of changes in the factors underlying these estimates due to new information or as a result of subsequent events.

Estimations, which are specific essential for the presentation of the financial statements for FirstFarms, is carried out by recognition of goodwill and recognition of biological assets.

### *Measurement of biological assets*

The biological assets, herds, breeding and crops are valued at fair value with deduction of realisation costs. The total value of the biological assets constituted 158.6 mDKK as per 31 December 2023 (2022: 132.3 mDKK).

Completely comparable markets do not exist in Slovakia for cows with the yielding capacity that FirstFarms' cows achieve. Due to this, the Management has chosen to value the cattle in the light of

the prices on the European market, also cp. note 5. Information is collected from market participants in Denmark to get the basis for the assessments.

The valuation of pigs is based on the German quotation for pigs. The fair value of the herd is calculated based on average weight etc. in the various categories of the sales herd. The fair value of the sows is also calculated based on cost price/production price, replacement in herd etc.

### *Impairment test for goodwill*

By an impairment test of intangible assets, including goodwill, an estimation is made of how the parts of the business, which the goodwill relates to, will be able to generate sufficient positive cash flows in the future to support the value of goodwill and other net assets.

Due to the nature of the business, estimation of expected cash flow must be made many years into the future, leading to some uncertainty.

This uncertainty is reflected in the discount rate. The most essential assumptions used for the impairment test carried out are shown in note 15.

### **Significant accounting estimates**

As part of the application of the Group's accounting practices, the Management makes assessments, in addition to discretionary assessments, which can have a significant impact on the amounts recog-

nised in the consolidated accounts and the annual accounts.

### *Lease period*

The leasing period includes the irrevocable period of the leasing agreement as well as periods which the Group reasonably expects to extend.

A proportion of the Group's leasing agreements for land are annual agreements which are continuously extended. When the lease asset is first recognised, the Group makes an assessment of whether the lease agreements are reasonably likely to be extended. The Group reassesses this estimate in the event of significant events or significant changes in circumstances that are within the Group's control.



<b>3. SEGMENT INFORMATION 2023</b> tDKK	<b>Romanian activities</b>	<b>Slovakian activities</b>	<b>Hungarian activities</b>	<b>Czech activities</b>	<b>Others/ Non-allocated</b>	<b>Intercompany elimination</b>	<b>Total</b>
<b>Total turnover</b>	<b>41,121</b>	<b>268,735</b>	<b>66,048</b>	<b>112,285</b>	<b>10,881</b>	<b>-37,508</b>	<b>461,562</b>
Production subsidies	13,369	40,167	3,855	4,851	0	0	62,242
Value adjustment of biological assets	-55	5,777	5,235	-1,724	0	0	9,233
<b>Earnings before depreciations (EBITDA)</b>	<b>12,909</b>	<b>53,624</b>	<b>20,072</b>	<b>13,820</b>	<b>817</b>	<b>0</b>	<b>101,242</b>
Depreciations	-8,912	-28,274	-9,934	-3,978	-49	0	-51,147
<b>Earnings before interest and tax (EBIT)</b>	<b>3,997</b>	<b>25,35</b>	<b>10,138</b>	<b>9,842</b>	<b>768</b>	<b>0</b>	<b>50,095</b>
Financial income	2,833	6,011	1,314	2,641	26,460	-19,154	20,105
Financial costs	-10,732	-14,085	-15,850	-2,927	-12,199	19,154	-36,639
<b>Result before tax</b>	<b>-3.902</b>	<b>17,276</b>	<b>-4.398</b>	<b>9,556</b>	<b>15,029</b>	<b>0</b>	<b>33,561</b>
<b>Assets</b>	<b>295,221</b>	<b>670,274</b>	<b>339,940</b>	<b>193,078</b>	<b>396,768</b>	<b>-385,592</b>	<b>1,509,689</b>
Non-current assets	252,084	507,042	307,621	156,499	361,593	-357,522	1,227,317
Investments *	74,563	44,298	65,246	2,970	0	0	187,077
Liabilities	212,143	379,374	334,458	64,365	182,750	-385,597	787,493

<b>3. SEGMENT INFORMATION 2022</b> tDKK	<b>Romanian activities</b>	<b>Slovakian activities</b>	<b>Hungarian activities</b>	<b>Czech activities</b>	<b>Others/ Non-allocated</b>	<b>Intercompany elimination</b>	<b>Total</b>
<b>Total turnover</b>	<b>39,899</b>	<b>255,772</b>	<b>45,995</b>	<b>88,824</b>	<b>9,492</b>	<b>-21,687</b>	<b>418,295</b>
Production subsidies	14,256	45,265	4,550	7,491	0	0	71,562
Value adjustment of biological assets	3,170	27,753	6,905	9,310	0	0	47,138
<b>EBITDA</b>	<b>15,678</b>	<b>101,058</b>	<b>8,296</b>	<b>28,470</b>	<b>-6,881</b>	<b>0</b>	<b>146,621</b>
Depreciations	-8,860	-34,260	-3,420	-4,042	-105	0	-50,687
<b>EBIT</b>	<b>6,818</b>	<b>66,798</b>	<b>4,876</b>	<b>24,428</b>	<b>-6,986</b>	<b>0</b>	<b>95,934</b>
Financial income	126	1386	3366	1,462	17,314	-13,351	95,934
Financial costs	-6,020	-10,158	-8,770	-2,287	-8,784	13,351	10,303
<b>Result before tax</b>	<b>924</b>	<b>58,026</b>	<b>-528</b>	<b>23,603</b>	<b>1,544</b>	<b>0</b>	<b>83,569</b>
<b>Assets</b>	<b>222,478</b>	<b>675,713</b>	<b>272,874</b>	<b>191,897</b>	<b>352,448</b>	<b>-373,923</b>	<b>1341,487</b>
Non-current assets	188,506	478,506	229,076	147,596	331,796	-326,817	1048,663
Investments *	31,610	36,995	133,908	4,522	245	0	207,28
Liabilities	133,200	394,325	266,960	69,274	168,587	-373,920	658,426

\*) 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 with crop production. In Hungary and 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 as:

tDKK	Romania 2023	Romania 2022	Slovakia 2023	Slovakia 2022	Hungary 2023	Hungary 2022	Czech Rep. 2023	Czech Rep. 2022
Milk	0	0	111,978	114,555	0	0	0	0
Cows and calves	0	0	10,351	12,564	0	0	0	0
Piglets and slaughter pigs	0	0	70,202	55,506	63,141	41,410	104,548	81,161
Crops	39,903	38,049	69,456	70,237	135	1,164	2,279	2,358
Other	1,218	1,850	6,748	2,910	2,772	3,421	5,458	5,305
<b>Total</b>	<b>41,121</b>	<b>39,899</b>	<b>268,735</b>	<b>255,772</b>	<b>66,048</b>	<b>45,995</b>	<b>112,285</b>	<b>88,824</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, whereas information on the distribution of assets by geographic segment is calculated based on the physical location of the assets

4. TURNOVER tDKK	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Milk	111,978	114,555	0	0
Cows and calves	10,351	12,564	0	0
Piglets and slaughter pigs	214,115	173,734	0	0
Crops	109,053	105,600	0	0
Other	16,065	11,936	10,881	9,492
<b>Total</b>	<b>461,562</b>	<b>418,389</b>	<b>10,881</b>	<b>9,492</b>

In 2023, crops harvested in 2022 are sold, and there are also crops harvested in 2023 in storage at the end of 2023 to a lesser extent.

There are no customers that account for more than 10% of the total group turnover. (in 2022, there is milk sale to one customer in Slovakia, which accounts for 11% of the total group turnover).

5. VALUE ADJUSTMENT OF BIOLOGICAL ASSETS - GROUP 2023 tDKK	Basic herd cows <sup>1)</sup>	Breeding cows <sup>2)</sup>	Basic herd pigs <sup>1)</sup>	Sales herd pigs <sup>2)</sup>	Crops	Total
Primo	34,210	15,209	13,582	32,650	36,623	132,274
Addition, purchase of company	0	0	0	0	0	0
Addition	0	7,125	11,085	198,312	153,418	369,940
Value adjustment of the year recognised in the income statement	-5,095	6,670	6,378	3,091	-1,811	9,233
Transfer	12,692	-12,692	1,110	-1,110	0	0
Disposal	-6,387	-0,693	-6,527	-190,024	-149,534	-353,165
Exchange rate adjustment	44	28	365	-44	-65	328
<b>Accounting value 31 December 2023</b>	<b>35,464</b>	<b>15,647</b>	<b>25,993</b>	<b>42,875</b>	<b>38,631</b>	<b>158,610</b>
Number of animals	2,998	2,403	7,815	72,118	-	85,334
Number of hectares harvested	-	-	-	-	16,014	16,014
Number of hectares seeded in autumn	-	-	-	-	8,994	8,994

5. VALUE ADJUSTMENT OF BIOLOGICAL ASSETS - GROUP 2022 tDKK	Basic herd cows <sup>1)</sup>	Breeding cows <sup>2)</sup>	Basic herd pigs <sup>1)</sup>	Sales herd pigs <sup>2)</sup>	Crops	Total
Primo	30,305	17,383	10,639	16,374	30,854	105,555
Addition, purchase of company	0	0	0	0	772	772
Addition	0	10,463	2,405	185,307	116,742	314,918
Value adjustment of the year recognised in the income statement	-3,321	6,273	4,977	8,891	30,317	47,138
Transfer	13,311	-13,311	1,309	-1,309	0	0
Disposal	-6,083	-5,600	-5,137	-176,625	-142,214	-335,658
Exchange rate adjustment	-3	0	-610	11	152	-450
<b>Accounting value 31 December 2023</b>	<b>34,210</b>	<b>15,209</b>	<b>13,582</b>	<b>32,650</b>	<b>36,623</b>	<b>132,274</b>
Number of animals	2,976	2,387	5,454	58,379	-	69,196
Number of hectares harvested	-	-	-	-	15,526	15,526
Number of hectares seeded in autumn	-	-	-	-	10,016	10,016

<sup>1)</sup> Non-current assets

<sup>2)</sup> Current assets

*Basic herd cows/breeding:* The fair value of basic herd and breeding is calculated on basis of an assessment of the market value on the balance sheet date.

*Basic herd pigs:* The fair value of the basic herd pigs is estimated based on the cost price for pigs with the same genetics. The valuation is based on a weighted average between the cost price for gilts and the slaughter value for sows.

*Sales herd pigs:* The fair value for the sales herd (slaughter pigs) is with a starting point in the actual quotation at balance sheet date. The valuation is calculated based on the average weight of the pigs.

*Crops:* The fair value of crops is calculated on basis of the cost price attributed changes due to the biological transformation, from the time of seeding to 31 December 2023. As the biological transformation for crops seeded in the autumn are limited, the fair value essential corresponds to the costs incurred for seeding, etc. Changes in unobservable inputs will not entail significant changes in the accounting value.

The fair value of biological assets is included at level 3 of the fair value hierarchy.

<b>6. COST OF SALES</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Cost of sales for the year	271,509	233,359	0	0
Reversed write-downs on inventories	0	0	0	0
At transition, in connection with harvest, the stock of crops is valued at market value less point-of-sale costs. By a subsequent decrease in the value, the amount is credited in production cost of sales				

<b>7. STAFF COSTS</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Fees to the Board of Directors in the parent company	780	746	780	746
Wages and salaries	74,606	63,873	8,489	7,854
Share-based remuneration	1,146	842	1,146	842
Defined contribution pension plans	1,540	1,216	1,540	1,216
Other social security costs	17,151	15,812	65	70
Other staff costs	2,579	1,970	88	250
<b>Total staff costs</b>	<b>97,802</b>	<b>84,459</b>	<b>12,108</b>	<b>10,978</b>
Average number of employees	364	328	9	7
The number of employees at the end of the year was distributed as follows:	398	340		
Slovakia	214	207		
Hungary	89	52		
Romania	64	50		
Czech Republic	24	24		
Employed in the Group function	7	7		

<b>Remuneration of Key Management</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Wages and salaries	11,014	7,476	7,764	5,271
Defined contribution pension plans	547	1,018	1,297	1,018
Share-based remuneration	933	683	818	598
<b>Total</b>	<b>12,494</b>	<b>9,177</b>	<b>9,879</b>	<b>6,887</b>
Wages and salaries and defined contribution plans are short-term employee benefits				

<b>Remuneration of the parent company's Board of Directors and Management</b> tDKK	<b>2023 Board of Directors</b>	<b>2023 Management</b>	<b>2022 Board of Directors</b>	<b>2022 Management</b>
Wages and salaries	780	2,601	746	2,961
Defined contribution pension plans	0	165	0	153
Share-based remuneration	0	480	0	354
<b>Total</b>	<b>780</b>	<b>3,246</b>	<b>746</b>	<b>3,468</b>

No special redundancy payment has been made for the Board of Directors and Management in FirstFarms A/S.

<b>Total remuneration of the parent company's Board of Directors and Management</b> tDKK	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Wages and salaries	3,381	3,707
Defined contribution pension plans	165	153
Share-based remuneration	480	354
<b>Total</b>	<b>4,026</b>	<b>4,214</b>

<b>Warrant program 2023</b> tDKK	<b>Management</b>	<b>Key management</b>	<b>Other employees</b>	<b>Total</b>	<b>Utilisation price</b>	<b>Fair value per option, DKK</b>	<b>Fair value in total (DKK)</b>	<b>Expiration</b>
Allotted 1 January 2023								
Type 4	40,000	0	0	40,000	56.12	5.80	232	Q1 2024
Type 5	10,000	30,000	22,000	62,000	55.76	13.79	855	Q1 2024
Type 6	0	10,000	0	10,000	67.40	8.10	81	Q1 2024
Type 7	50,000	40,000	18,000	108,000	68.82	25.57	2,762	Q1 2026
Type 8 (allotted during the year)	25,000	22,500	9,000	56,500	87.14	13.71	775	Q1 2027
<b>Allotted 31 December 2023</b>	<b>125,000</b>	<b>102,500</b>	<b>49,000</b>	<b>276,500</b>	-	-	<b>4,705</b>	

<b>Warrant program 2022</b> tDKK	<b>Management</b>	<b>Key management</b>	<b>Other employees</b>	<b>Total</b>	<b>Utilisation price</b>	<b>Fair value per option, DKK</b>	<b>Fair value in total (DKK)</b>	<b>Expiration</b>
Allotted 1 January 2022								
Type 4	40,000	0	0	40,000	56.12	5.80	232	Q1 2024
Type 5	10,000	30,000	22,000	62,000	55.76	13.79	855	Q1 2024
Type 6	0	10,000	0	10,000	67.40	8.10	81	Q1 2024
Type 7 (allotted during the year)	50,000	40,000	18,000	108,000	68.82	25.57	2,762	Q1 2026
<b>Allotted 31 December 2022</b>	<b>100,000</b>	<b>80,000</b>	<b>40,000</b>	<b>220,000</b>	-	-	<b>3,930</b>	

In 2023, 56,500 warrants are allotted (2022: 108,000 warrants). Each warrant gives the warrant owner right to buy one share of nominally 10 DKK. In 2023, no warrants were utilised (2022: 68,000 warrants were utilised). The fair value of the warrants allotted in 2023 is calculated based on the Black-Scholes model with a volatility of 15%, a risk-free interest rate of 3.0% p.a., a dividend of DKK 0.7 and a share price of 88.00 at the time of allotment. The volatility is calculated based on the development in the share price 2.5 years before the issue.

The outstanding warrants correspond to 2.8% of the share capital (2022: 2.3%) if all warrants are utilised. None of the outstanding warrants are utilised at the balance sheet date. Warrants can be utilised for a period of 4 weeks from the company's announcement of the interim financial report regarding the period where the agreement expires.

Continued employment is a condition for the utilisation of warrants.

<b>8. DEPRECIATIONS</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Depreciations, intangible assets	0	0	0	0
Depreciations, tangible assets	51,147	50,687	49	105
Impairments, tangible assets	0	0	0	0
<b>Total depreciations</b>	<b>51,147</b>	<b>50,687</b>	<b>49</b>	<b>105</b>

<b>9. PRODUCTION SUBSIDIES</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Hectare subsidy	27,543	28,431	0	0
Investment subsidy	2,865	1,604	0	0
Cattle subsidy	10,939	10,391	0	0
Various pig subsidy	10,008	14,173	0	0
Government subsidy	10,887	16,963	0	0
<b>Total</b>	<b>62,242</b>	<b>71,562</b>	<b>0</b>	<b>0</b>

Hectare subsidy is an annual subsidy given for the management of agricultural land etc.

Investment subsidy can be applied for from the EU. Investment subsidies are given on the condition that the assets are retained in the company for at least 5 years. Otherwise, there are no special conditions attached to the subsidies. During 2022 and 2023, grants have been received for the expansion in Hungary. The investment is taken into use in 2023 and the subsidy has started to be recognised as income.

The amount is recognised as income as the assets are depreciated. The cattle subsidy is a subsidy for milk production.

Various subsidies are provided for pig production. In 2023, subsidies for pig production are reduced in Slovakia, Czech Republic and Hungary compared to 2022.

Subsidies constitute a significant part of accruals and other receivables. In the following, the various subsidy schemes and their recognition are presented.

<b>2023</b> tDKK	<b>Hectare subsidy</b>	<b>Cattle subsidy</b>	<b>Pig subsidy</b>	<b>Government subsidy</b>	<b>Investment subsidy etc.</b>	<b>Total</b>
Subsidy calculated in accruals	0	0	0	0	73,470	73,470
Period of crediting	Continuously	Continuously	Continuously	Continuously	Concurrently as the asset is depreciated	-
Subsidy calculated in "Other receivables"	15,733	4,747	0	345	87	20,912

<b>2022</b> tDKK	<b>Hectare subsidy</b>	<b>Cattle subsidy</b>	<b>Pig subsidy</b>	<b>Government subsidy</b>	<b>Investment subsidy etc.</b>	<b>Total</b>
Subsidy calculated in accruals	0	0	0	1,630	23,384	25,014
Period of crediting	Continuously	Continuously	Continuously	Continuously	Concurrently as the asset is depreciated	-
Subsidy calculated in "Other receivables"	12,302	2,804	0	108	0	15,214

<b>10. OTHER OPERATING INCOME</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Profit from sale of tangible assets	2,305	953	0	0
Profit on sale of company	7,500	0	7,500	0
Other secondary income	5,526	2,951	0	335
<b>Total</b>	<b>15,331</b>	<b>3,904</b>	<b>7,500</b>	<b>335</b>

In connection with the sale of AISM in 2021, a provision of 7.5 mDKK was made for guarantees. The guarantee expired during 2023; the provision has thus been reversed in 2023. Other secondary income relates, among other things, to payments from insurance policies and payments from a deficit guarantee.

<b>11. FINANCIAL INCOME</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Interest, cash and cash equivalents	808	112	0	0
Interest income from affiliated companies	0	0	16,601	10,842
Other financial income	19,297	6,932	9,859	6,472
<b>Total</b>	<b>20,105</b>	<b>7,044</b>	<b>26,460</b>	<b>17,314</b>

Of the total financial income, 6.7 mDKK (2022: 4.2 mDKK) is not attributable to receivables/liabilities at amortised cost price.

In connection with loan restructuring in Slovakia, incoming interest hedging instruments have been redeemed. This has resulted in an income of 4.4 mDKK. Dividend from financial investments is recognised in financial income with 2.5 mDKK.

<b>12. FINANCIAL COSTS</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Interest, bank debt	29,166	9,731	7,529	644
Interest from affiliated companies	0	0	2,551	1,562
Interest, convertible bonds	924	4,040	924	4,040
Other financial costs	6,549	5,638	1,194	2,538
<b>Total</b>	<b>36,639</b>	<b>19,409</b>	<b>12,198</b>	<b>8,784</b>

Exchange rate adjustments constitute a net expense of 0.8 mDKK - of which 4.3 mDKK is recognised under financial income and 5.1 mDKK under financial cost.



<b>13. TAX ON NET PROFIT/LOSS</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Tax on net profit/loss	-7,518	-18,103	0	0
Tax on other total income	1,401	-1,519	0	0
<b>Total</b>	<b>-6,117</b>	<b>-19,622</b>	<b>0</b>	<b>0</b>
Tax on net profit/loss is specified as:				
Current tax	-7,543	-11,680	0	0
Deferred tax	1,426	-7,942	0	0
<b>Total</b>	<b>-6,117</b>	<b>-19,622</b>	<b>0</b>	<b>0</b>
Tax on net profit/loss can be explained as:				
Calculated tax on net profit loss before tax (22 %) (In parent company ex. capital shares)	-7,383	-18,385	-3,306	-340
Recognition when acquiring a company	0	110	0	0
Write down / unrecognised tax assets	1,106	77	1,106	340
Adjustment of deferred tax as a result of a change in the tax rate	-942	0		
Other adjustments, net	-299	95	2,200	0
<b>Total</b>	<b>-7,518</b>	<b>-18,103</b>	<b>0</b>	<b>0</b>
Effective tax rate	22	22	0	0

<b>14. EARNINGS PER SHARE</b> tDKK	<b>2023</b>	<b>2022</b>
Net profit	26,042	65,466
Interest on conversion of bonds	924	4,040
Profit of the year for calculating earnings per share (EPS-D)	26,966	69,506
Number of shares	9,946,311	9,460,277
Average diluted effect of outstanding warrants and convertible bonds	220,000	719,141
Diluted number of shares in circulation	10,166,311	10,179,418
Earnings per share (EPS)	2.68	7.56
Diluted earnings per share (EPS-D)	2.65	6.60

<b>15. INTANGIBLE ASSETS</b> tDKK	<b>Goodwill</b> <b>2023</b>	<b>Goodwill</b> <b>2022</b>
Cost price 1 January	16,083	16,083
Addition	0	0
Disposal	0	0
Exchange rate adjustment	0	0
<b>Cost price 31 December</b>	<b>16,083</b>	<b>16,083</b>
Depreciations and impairment 1 January	0	0
Depreciations	0	0
Disposal	0	0
Exchange rate adjustment	0	0
<b>Depreciations and impairments 31 December</b>	<b>0</b>	<b>0</b>
<b>Accounting value 31 December</b>	<b>16,083</b>	<b>16,083</b>

Goodwill relates to the activities in Slovakia. Impairment tests have been carried out as per 31 December 2023 based on the capital value (value in use) of the activities. The impairment test was done with a DCF model. The DCF model has a budget period of 5 years. The impairment test is based on the management-approved budget and forecasts for the years 2024-2028.

Expectations for prices are based on the current expectations for the development based on information from SEGES. For the terminal period after 2027, expectations of growth of 1.5% (2022: 1.5%) have been incorporated. The impairment test used a WACC of 5.9% after tax (2022: 8.6%) – corresponding to a WACC before tax of 6.9% (2021: 10.4%).

The WACC used is estimated based on a risk-free return and leverage compared to the Group's business peers.

The parent company has no intangible assets included.

<b>16.TANGIBLE ASSETS-GROUP 2023</b> tDKK	<b>Land</b>	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings, tools and equipment</b>	<b>Assets under construction and prepayments</b>	<b>Total</b>
Cost price 1 January	491,290	344,301	260,247	18,038	142,705	1256,581
Additions at acquisition of company	0	0	0	0	0	0
Addition	17,149	51,895	63,487	5,011	49,535	187,077
Transfer between categories	823	149	-2,666	-1,840	-145,026	0
Disposal	-61	-5357	-8,938	-269	0	-14,625
Exchange rate adjustment	-115	1,640	887	211	6,788	9,411
<b>Cost price 31 December</b>	<b>509,086</b>	<b>541,188</b>	<b>313,017</b>	<b>21,151</b>	<b>54,002</b>	<b>1438,444</b>
Depreciations and impairments 1 January	-25,784	-131,567	-134,777	-6,115	0	-298,243
Disposal on sale of company	0	0	0	0	0	0
Depreciations	-8,856	-16,751	-23,350	-2,190	0	-51,147
Disposal	0	5,357	6,071	211	0	11,639
Exchange rate adjustment	0	-295	-87	-54	0	-433
<b>Depreciations and impairments 31 December</b>	<b>-34,637</b>	<b>-143,256</b>	<b>-152,143</b>	<b>-8,148</b>	<b>0</b>	<b>-338,184</b>
<b>Accounting value 31 December</b>	<b>474,449</b>	<b>397,932</b>	<b>160,874</b>	<b>13,003</b>	<b>54,002</b>	<b>1100,260</b>
Capitalised interest during the year	0	8,858	0	0	0	8,858
Capitalisation rate	0%	10%	0%	0%	0%	10%
<b>- of which leased assets</b>	<b>49,989</b>	<b>0</b>	<b>28,627</b>	<b>0</b>	<b>0</b>	<b>78,616</b>
Depreciated over	-	15-30 years	5-10 years	3-7 years	-	-
<b>- depreciations on leased assets</b>	<b>7,181</b>	<b>0</b>	<b>9,860</b>	<b>0</b>	<b>0</b>	<b>17,041</b>

\*) Leasing assets under land are depreciated over the lease period, which is from 3-15 years.

For the bank debt in Slovakia, Romania, Czech Republic and Hungary of 428.2 mDKK, security has been provided in fixed assets. Furthermore, security has been provided in subsidies in Slovakia and Hungary.

Please refer to note 23 for information about the leasing obligation regarding leased assets. An agreement has been entered into for purchase of tangible fixed assets totalling 10.0 mDKK.

<b>16.TANGIBLE ASSETS-GROUP 2022</b> tDKK	<b>Land</b>	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings, tools and equipment</b>	<b>Assets under construction and prepayments</b>	<b>Total</b>
Cost price 1 January	454,604	318,538	206,333	10,734	37,488	1027,697
Additions when buying a business	8,000	10,781	8,799	3,970	0	31,551
Addition	28,761	17,365	8,444	3,909	154,919	213,399
Transfer between categories	2,644	0	41,398	0	-44,042	0
Disposal	-2,655	-193	-3,835	-603	-1,878	-9,164
Exchange rate adjustment	-64	-2,190	-893	27	-3,783	-6,902
<b>Cost price 31 December</b>	<b>491,290</b>	<b>344,301</b>	<b>260,247</b>	<b>18,038</b>	<b>142,705</b>	<b>1256,580</b>
Depreciations and impairments 1 January	-18,130	-110,145	-118,916	-5,229	0	-252,420
Disposal on sale of company	0	0	0	0	0	0
Depreciations	-7,654	-21,833	-19,186	-1,398	0	-50,071
Disposal	0	170	3,167	362	0	3,699
Exchange rate adjustment	0	241	158	149	0	548
<b>Depreciations and impairments 31 December</b>	<b>-25,784</b>	<b>-131,567</b>	<b>-134,778</b>	<b>-6,115</b>	<b>0</b>	<b>-298,244</b>
<b>Account value 31 December</b>	<b>465,506</b>	<b>212,734</b>	<b>125,469</b>	<b>11,922</b>	<b>142,705</b>	<b>958,336</b>
Capitalised interest during the year	0	0	0	0	5,420	5,420
Capitalisation rate	0%	0%	0%	0%	8%	8%
<b>- of which leased assets</b>	<b>44,451</b>	<b>0</b>	<b>26,069</b>	<b>0</b>	<b>0</b>	<b>70,520</b>
Depreciated over	*	15-30 years	5-10 years	3-7 years	-	-
<b>- depreciation on leased assets</b>	<b>6,883</b>	<b>0</b>	<b>6,684</b>	<b>0</b>	<b>0</b>	<b>13,567</b>

\*) Leasing assets under land are depreciated over the lease period, which is from 3-15 years.

For the bank debt in Slovakia, Romania, Czech Republic and Hungary of 241.6 mDKK, security has been provided in fixed assets. Furthermore, security has been provided in subsidies in Slovakia and Hungary.

Please refer to note 23 for information about the leasing obligation regarding leased assets. An agreement has been entered into for purchase of tangible fixed assets totalling 48.0 mDKK.

**16. TANGIBLE ASSETS - PARENT COMPANY**  
**Other plants, fixtures and fittings, tools and equipment**

tDKK	2023	2022
Cost price 1 January	245	479
Addition	0	245
Disposal	0	-479
<b>Cost price 31 December</b>	<b>245</b>	<b>245</b>
Depreciations and impairments 1 January	-49	-213
Depreciations	-49	-105
Disposal	0	269
<b>Depreciation and impairments 31 December</b>	<b>-98</b>	<b>-49</b>
<b>Accounting value 31 December</b>	<b>147</b>	<b>196</b>
- of which leased assets	0	0
Depreciated over	3-7 years	3-7 years

**17. INVESTMENTS IN SUBSIDIARIES**  
tDKK

tDKK	2023	2022
Cost price 1 January	466,201	466,201
Additions for the year on acquisition of company	0	0
Disposal on sale of company	0	0
<b>Cost price 31 December</b>	<b>466,201</b>	<b>466,201</b>
Value adjustment 1 January	33,001	-36,887
Share of result for the year	11,014	63,921
Exchange rate adjustments, etc.	3,854	-725
Hedging instruments	-5,271	6,692
Dividend	-621	0
Disposal on sale of company	0	0
<b>Value adjustment 31 December</b>	<b>41,977</b>	<b>33,001</b>
<b>Accounting value amount 31 December</b>	<b>508,178</b>	<b>499,202</b>

## 2022

FirstFarms A/S has, cp. Company announcement no. 14 of 20 July 2022, acquired the Hungary company FirstFarms HunAgro Kft (former Try-Béta Kft.) With the acquisition, FirstFarms has taken over up to 1,600 hectares of cultivated agricultural land, 6,900 tons storage and silo capacity and machine park.

The transaction is a cementing of FirstFarms' development and growth in Hungary and strengthens the circular production. The crops grown in the company will end up as feed to the pig production and the natural fertiliser from the pig production will be used on the fields in FirstFarms HunAgro Kft. The acquisition price for the net assets in FirstFarms HunAgro Kft. entailed a total of 27.1 mDKK.

Transaction costs of 0.7 mDKK have incurred in connection with the transaction.

Result before tax for FirstFarms HunAgro Kft. for the recognised period is 0.0 mDKK. If the whole period had been recognised, the result before tax for FirstFarms HunAgro Kft. would be 0.2 mDKK. The result for FirstFarms HunAgro Kft. is affected by drought in 2022, which is why the result for 2022 is 0.2 mDKK.

The allocation of the acquisition price of the net assets is shown in the next table:

### Allocation of the acquisition price of the net assets

tDKK	
Land	8,000
Buildings	10,781
Production plants and machines	8,799
Other plants, operating equipment and tools and equipment	3,970
Inventories	3,584
Biological assets	772
Receivables	5,381
Cash and cash equivalents	408
Deferred tax	-1,175
Other debt	-8,642
Interest-bearing debt	-4,302
<b>Net assets taken over</b>	<b>27,576</b>
<b>Total acquisition price</b>	<b>27,576</b>
<b>Goodwill / Badwill (-)</b>	<b>0</b>

<b>Subsidiaries in FirstFarms A/S Name</b>	<b>Domicile</b>
FirstFarms s.r.o.	Slovakia
FirstFarms Agra M s.r.o.	Slovakia
FirstFarms Mast Stupava AS.	Slovakia
FirstFarms Mlyn Zahorie AS.	Slovakia
Morava Agro s.r.o.	Slovakia
Obliná s.r.o.	Slovakia
FirstFarms s.r.l.	Romania
FirstFarms Agro East s.r.l.	Romania
FirstFarms Agro Trade s.r.l.	Romania
FirstFarms Hungary A/S	Denmark
FirstFarms Hungary Kft.	Hungary
FirstFarms HunAgro Kft..	Hungary
FirstFarms Czech A/S	Denmark
FirstFarms Granero s.r.o.	Czech Republic
FirstFarms Slovakia A/S	Denmark
FirstFarms Gabcikovo s.r.o.	Slovakia
FirstFarms Cityland s.r.o.	Slovakia

All subsidiaries are 100 % owned by the FirstFarms Group.

<b>18. INVENTORIES</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Raw materials and other materials	33,764	66,489	0	0
Manufactured goods, commodities, grain, fodder etc.	51,571	58,489	0	0
<b>Total</b>	<b>85,335</b>	<b>124,978</b>	<b>0</b>	<b>0</b>
Of which value of inventories recognised at fair value	44,369	51,917	0	0
Write-downs	0	0	0	0
Reversed write-downs	0	0	0	0

At the transition, in connection with harvest, the crops on stock is recognised at fair value less point-of-sale costs. Any subsequent decrease in value is recognised in the income statement under cost of sales.

<b>19. RECEIVABLES</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Receivables from sales	28,792	26,140	0	0
Other receivables	33,182	33,132	1,752	3,128
Receivables from affiliated companies	0	0	343,976	324,937
<b>Total</b>	<b>61,974</b>	<b>59,272</b>	<b>345,728</b>	<b>328,065</b>

In 2023 and 2022, debtor insurance has been taken out for the most significant part (approx. 80-90%) of the company's trade receivables.

Other receivables have increased from 2022 to 2023 by 4 mDKK. The increase can, among other things, be attributed to increased receivable production subsidies, which have increased to 20.9 mDKK in 2023 against 15.2 mDKK in 2022.

In 2023, a receivable of 6.1 mDKK is recognised against the irrigation organisation, which is established for investment in irrigation systems. In 2022, a positive value of interest hedging instruments with a total of 7.2 mDKK is recognised.

Receivables that were past due but not impaired as of 31 December are shown below:	<b>2023</b>	<b>2022</b>
Due date:		
Up to 30 days	3,530	3,179
Between 30 and 90 days	292	296
Over 90 days	1,117	1,182
<b>Total</b>	<b>4,939</b>	<b>4,657</b>

The Group sells milk, meat and crops to dairies and slaughterhouses etc. Historically, there have been no significant losses on trade receivables for the Group.

Based on this, no provision for losses on normal trade receivables has been recognised and no losses on normal trade receivables are expected in the future.



<b>20. SHARE CAPITAL</b> tDKK	<b>Number (pcs.) 2023</b>	<b>Number (pcs.) 2022</b>	<b>Nominal value 2023</b>	<b>Nominal value 2022</b>
1 January	9,460,277	7,860,953	94,602,770	78,609,530
Issued in connection with acquisition of company	0	0	0	0
Utilisation of warrants	0	68,000	0	680,000
Issued by conversion of bonds	486,034	1,531,324	4,860,340	15,313,240
<b>31 December</b>	<b>9,946,311</b>	<b>9,460,277</b>	<b>99,463,110</b>	<b>94,602,770</b>

At the end of 2023, the share capital totalled 9,946,311 shares with a nominal value of DKK 10. No shares have been attributed special rights.

See note 22 for information on convertible bonds.

#### **Capital management**

The capital structure in FirstFarms is continuously assessed. For a review of the Group's policies for dividend distribution, debt financing etc. please refer to page 48 regarding dividend and to the section on risk management on page 50.

The realised return on equity for 2023 amounted to 3.6 % (2022: 10.8 %).

<b>Issuance of new shares</b>	<b>Expiry</b>	<b>Authorised (DKK)</b>	<b>Utilised previous years (DKK)</b>	<b>Utilised 2023 (DKK)</b>	<b>Remaning (DKK)</b>
Authorisation	24 April 2024	10.000,000	-3.565,060	0	6.434,940
Authorisation	27 April 2026	10.000,000	0	0	10.000,000
Authorisation	26 April 2027	10.000,000	0	0	10.000,000
<b>Total</b>		<b>30.000,000</b>	<b>-3.565,060</b>	<b>0</b>	<b>26.434,940</b>

The company's Management continuously reviews FirstFarms' ownership and capital structure. The company does not hold own shares, and the percentage of negotiable FirstFarms shares, the "free float", is therefore 100 percent. At the ordinary general meeting on 25 April 2023, the company was authorised to acquire up to 10% of the company's own shares. The authorisation was not utilised in 2023.

The company's Board of Directors is authorised, cf. the table above, to issue, on one or more occasions, up to 2,643,494 shares corresponding to a nominal value of DKK 26,434,940 by cash payment, by contribution of assets other than cash (non-cash contribution) or conversion of debt or as a combination thereof. The capital increase shall be made at market price - with or without pre-emptive rights for the company's shareholders.

FirstFarms has most recently utilised the authorisation in 2020 and 2021 in connection with the purchase of AISM srl.

<b>Issuance of warrants</b>	<b>Expiry</b>	<b>Authorised (DKK)</b>	<b>Allocated previous years (DKK)</b>	<b>Allocated 2023 (DKK)</b>	<b>Remaining (DKK)</b>
Authorisation	28 April 2025	100,000	-100,000	0	0
Authorisation	27 April 2026	100,000	-80,000	-20,000	0
Authorisation	26 April 2027	200,000	0	-36,500	163,500
<b>Total</b>		<b>400,000</b>	<b>-180,000</b>	<b>-56,500</b>	<b>163,500</b>

At the end of 2023, a total of 276,500 warrants were issued to the company's management and employees in Denmark and abroad - of which a total of 56,500 warrants were issued in 2023, see note 7.

#### *Convertible bonds*

See note 22 for information on convertible bonds.

In 2023, bonds have been converted for nominal 22.4 mDKK (2022: 84.3 mDKK).

#### *Dividend*

It is FirstFarms' goal to secure the necessary equity and liquidity to finance the company's organic and acquisitive growth. An assessment of possible dividend payment is made annually in connection with the financial reporting. FirstFarms aims for an annual distribution of 0.5-1.0 DKK per share.

21. DEFERRED TAX tDKK	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Deferred tax 1 January	38,656	29,448	0	0
Additions and disposals from purchase/sale (-) of companies	0	1,266	0	0
Tax of other total income	-1,401	1,519	0	0
Exchange rate adjustment	-86	0	0	0
Deferred tax for the year recognised in net profit/loss for the year	-25	6,423	0	0
<b>Deferred tax 31 December</b>	<b>37,144</b>	<b>38,656</b>	<b>0</b>	<b>0</b>
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax (asset)	-4,454	-2,255	0	0
Deferred tax (liability)	41,598	40,911	0	0
<b>Deferred tax 31 December, net</b>	<b>37,144</b>	<b>38,656</b>	<b>0</b>	<b>0</b>
Deferred tax relates to:				
Tangible assets	37,738	34,610	0	0
Biological assets	6,075	4,933	0	0
Other accounting items	-4,837	965	0	0
A loss allowed for carryforward	-1,832	-1,852	0	0
<b>Total</b>	<b>37,144</b>	<b>38,656</b>	<b>0</b>	<b>0</b>

The tax losses relate to the Group's foreign activities and are recognised based on an expectation of positive utilisation via taxable income within a period of approx. 5 years. There is an unrecognised deferred tax asset regarding losses in the parent company of 15 mDKK.

Change in temporary differences in 2023 tDKK	Balance 1/1-2023	Addition at acquisition of company	Included in net profit/ loss, net	Recognised in equity	Exchange rate adjustments	Balance 31/12-2023
Tangible assets	34,922	0	2,784	0	-86	37,620
Biological assets	4,933	0	1,142	0	0	6,075
Other accounting items	653	0	-3,972	-1,401	0	-4,720
A loss allowed for carryforward	-1,852	0	21	0	0	-1,831
<b>Total</b>	<b>38,656</b>	<b>0</b>	<b>-25</b>	<b>-1,401</b>	<b>-86</b>	<b>37,144</b>

Change in temporary differences in 2022 tDKK	Balance 1/1-2022	Addition at acquisition of company	Included in net profit/ loss, net	Recognised in equity	Exchange rate adjustments	Balance 31/12-2022
Tangible assets	33,161	1,266	495	0	0	34,922
Biological assets	2,131	0	2,802	0	0	4,933
Other accounting items	-5,750	0	4,884	1,519	0	653
A loss allowed for carryforward	-94	0	-1,758	0	0	-1,852
<b>Total</b>	<b>29,448</b>	<b>1,266</b>	<b>6,423</b>	<b>1,519</b>	<b>0</b>	<b>38,656</b>

<b>22. CONVERTIBLE BONDS</b> tDKK	<b>Group</b> <b>2023</b>	<b>Group</b> <b>2022</b>	<b>Parent</b> <b>company</b> <b>2023</b>	<b>Parent</b> <b>company</b> <b>2022</b>
Proceeds from issuance of convertible bonds, beginning	22,351	107,397	22,351	107,397
Converted in the year	-22,351	-84,296	-22,351	-84,296
Repaid in the year	0	-750	0	-750
<b>Proceeds from issuance of convertible bonds, end</b>	<b>0</b>	<b>22,351</b>	<b>0</b>	<b>22,351</b>
Fair value of conversion right at date of issuance recognised in equity, beginning	-2,042	-2,042	-2,042	-2,042
<b>Fair value of financial liability at the time of issue</b>	<b>-2,042</b>	<b>20,309</b>	<b>-2,042</b>	<b>20,309</b>
Amortisation 1 January	2,042	1,868	2,042	1,868
Amortisation for the year	0	174	0	174
<b>Amortisation 31 December</b>	<b>2,042</b>	<b>2,042</b>	<b>2,042</b>	<b>2,042</b>
<b>Accounting value financial liability 31 December</b>	<b>0</b>	<b>22,351</b>	<b>0</b>	<b>22,351</b>

There are the following outstanding convertible bonds (tDKK):

<b>2023</b>	<b>Beginning</b>	<b>Repaid</b>	<b>Converted</b>	<b>End</b>	<b>Expiry 2023</b>	<b>Total</b>	<b>Interest</b>	<b>Effective interest</b>
Issued 2016	20,250	0	-20,250	0	0	0	6,0%	
Issued 2017-2	2,101	0	-2,101	0	0	0	6,0%	
<b>Total</b>	<b>22,351</b>	<b>0</b>	<b>-22,351</b>	<b>0</b>	<b>0</b>	<b>0</b>		

<b>2022</b>	<b>Beginning</b>	<b>Repaid</b>	<b>Converted</b>	<b>End</b>	<b>Expiry 2023</b>	<b>Total</b>	<b>Interest</b>	<b>Effective interest</b>
Issued 2016	20,750	0	-500	20,250	20,250	20,250	6.0%	6.0%
Issued 2017-1	64,650	-750	-63,900	0	0	0	5.0%	5.0%
Issued 2017-2	2,101	0	0	2,101	2,101	2,101	6.0%	6.0%
Issued 2018	19,896	0	-19,896	0	0	0	5.0%	5.0%
<b>Total</b>	<b>107,397</b>	<b>-750</b>	<b>-84,296</b>	<b>22,351</b>	<b>22,351</b>	<b>22,351</b>	<b>22,351</b>	

In 2020, the convertible bonds from 2016 and 2017-2 have been offered extended for 1 or 3 years, respectively. A total of 30.1 mDKK of a total of 33.4 mDKK has been extended, of which 23.8 mDKK has been extended for 3 years.

It is assessed that the extension of the convertible bonds is a modification of existing loans that has not given rise to a significant change in fair value.

The value of the financial liability at the time of issue is calculated using a market interest rate corresponding to the interest rate for a similar non-convertible debt instrument. The difference between the proceeds from the issue of the convertible bonds and the fair value of the financial liability represents the fair value of the conversion right at the date of issue, which is recognised directly in equity (level 3 in the fair value hierarchy).

The fair value of the outstanding bonds at the end of 2022 is calculated at 22.4 mDKK. A discount rate of 5 per cent is assumed for convertible bonds.

The fair value of convertible bonds is recognised at level 3 in the fair value hierarchy.

23. DEBT TO CREDIT INSTITUTIONS tDKK	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Debt to credit institutions is recognised in the balance sheets:				
Long-term liabilities	537,748	327,815	118,491	55,774
Short-term part long-term liabilities	58,562	105,156	9,916	2,975
<b>Total</b>	<b>596,310</b>	<b>432,971</b>	<b>128,407</b>	<b>58,749</b>
Bank overdrafts	11,744	44,694	74	24,365
<b>Total</b>	<b>608,054</b>	<b>477,665</b>	<b>128,481</b>	<b>83,114</b>
Fair value	601,408	471,773	128,481	83,114
Nominal value	608,054	477,665	128,481	83,114
- of this fixed interest	94,636	203,836	0	0
Remaining term				
0-1 year	70,306	149,850	0	27,340
1-5 years	193,978	187,894	0	11,898
> 5 years	343,770	139,921	0	43,876
<b>Total account value</b>	<b>608,054</b>	<b>477,665</b>	<b>0</b>	<b>83,114</b>

A change in the interest rate by 1 %-point will result in a change in interest expenses of 5.1 mDKK (2022: 2.6 mDKK).

When entering into larger loans with variable interest rates, the interest rate on these agreements is hedged by entering into an interest rate hedging agreement. Offers are obtained from more than one financial institution before entering into an agreement.

A loan restructuring of the Group's activities in Slovakia has been made in December 2023 with long-term financing of approx. 225 mDKK. No agreement on interest hedging has been entered into due to the high interest level at the time of the restructuring. It is expected that an agreement on this is entered into during 2024.

FirstFarms has settled interest hedging agreements in December 2023 with a total proceeds of 4.4 mDKK. At the end of 2022, the interest hedging agreements had a value of 6.7 mDKK. The value is calculated based on current interest rate level and future payments regarding interest hedging.

Loans in the Czech Republic totalling 29 mDKK have fixed interest rates. The interest rate is fixed with 2.59% until 2037 for 22.1 mDKK, 4.4 mDKK until 2037 with an interest rate of 2.25% and 2.3 mDKK until 2027 with an interest rate of 1.99%.

The debt in Denmark is obtained in DKK and EUR, and there is an average interest rate at the end of 2023 of 4-6 % (2022: 3-6 %). The debt in Slovakia is obtained in EUR and the average interest rate at the end of 2023 is 4-6 % (2022: 2-4 %). In Romania, the majority of the debt is obtained in RON or EUR and the interest rate is 4-9 % (2022: 3-10 %).

In Hungary, the debt is obtained in HUF and bears interest at 11-14% (2022: 11-14%) and in the Czech Republic, the debt is obtained in CZK and bears interest at 2-9% (2022: 2-8%).

The fair value is calculated according to level 3 as the present value of expected future instalments and interest payments. There are no special terms or conditions attached to the Group's loans, including lease liabilities. The Group's debt to credit institutions has a variable interest rate and mainly obtained in EUR.

<b>Development in loans to credit institutions</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>
Loans in credit institutions etc., beginning of year	477,665	323,120
Additions on acquisition of company	0	4,302
Additions to credit institutions	339,186	179,244
Repayments	-220,321	-40,553
Change in hedging instruments	0	-1,420
Additions to lease liabilities	7,620	12,972
Exchange rate adjustments	3,904	0
<b>Loans in credit institutions etc. end of year</b>	<b>608,054</b>	<b>477,665</b>

#### Leasing

Liabilities relating to leased assets are recognised in debts to credit institutions:

<b>Group 2023</b> tDKK	<b>Minimum contribution</b>	<b>Interest etc.</b>	<b>Repayment of liabilities</b>
0-1 year	17,760	3,761	13,999
1-5 years	58,855	7,695	51,160
> 5 years	7,219	750	6,469
<b>Total</b>	<b>83,834</b>	<b>12,206</b>	<b>71,628</b>

<b>Group 2022</b> tDKK	<b>Minimum contribution</b>	<b>Interest etc.</b>	<b>Repayment of liabilities</b>
0-1 year	17,408	2,690	14,718
1-5 years	49,907	5,389	44,518
> 5 years	6,098	454	5,644
<b>Total</b>	<b>73,413</b>	<b>8,533</b>	<b>64,880</b>

The total payments regarding leasing in 2023 are 18.6 mDKK (2022: 19.4 mDKK), of which interest payments are 4.6 mDKK (2022: 2.9 mDKK).

There are no leases with variable payment, short maturity or low value agreements.

See note 16 for information on the carrying amount of leased assets.

<b>24. TRADE PAYABLES AND OTHER PAYABLES</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Trade payables	29,475	34,053	891	843
Other payables	27,558	40,384	12,240	24,750
<b>Total</b>	<b>57,033</b>	<b>74,437</b>	<b>13,131</b>	<b>25,593</b>

<b>25. CORPORATION TAX</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Corporation tax 1 January	-4,819	-766	0	0
Current tax for the year	-8,314	-11,121	0	0
Adjustment of tax, previous years	-50	-617	0	0
Corporate tax paid	13,667	7,685	0	0
<b>Corporation tax 31 December</b>	<b>484</b>	<b>-4,819</b>	<b>0</b>	<b>0</b>
Recognised as:				
Corporation tax receivable	2,275	0	0	0
Corporation tax due	-1,791	-4,819	0	0
<b>Corporation tax 31 December</b>	<b>484</b>	<b>-4,819</b>	<b>0</b>	<b>0</b>

## 26. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND SECURITIES

### Contingent liabilities

The Group is involved in a few pending disputes.

It is the management's assessment that clarification of this will not have a material impact on the Group's and the company's financial position.

### Securities

The bank debt in Slovakia, Romania, Hungary and Czech Republic of 428.2 mDKK (2022: 241.6 mDKK) is secured by fixed assets with a book value of 848 mDKK (2022: 568 mDKK).

The parent company has guaranteed the subsidiaries' debt to credit institutions in Slovakia, Romania and Hungary with an accounting value of 389.5 mDKK (2022: 169.6 mDKK).

The parent company has provided security for other liabilities with a booked value of 9.2 mDKK in the shares in FirstFarms Slovakia A/S. (2022: 23.6 mDKK)

The parent company has pledged security for debt to credit institutions with an accounting value of 128.5 mDKK in shares in FirstFarms s.r.l., other capital shares as well as interim account with FirstFarms s.r.l. and FirstFarms Agro East s.r.l. of 150 mDKK (2022: 83 mDKK).

<b>27. FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
<b>Total fee to PwC</b>				
Statutory audit	1,293	936	347	275
Other declaration tasks with security	43	0	43	0
Tax and VAT advice	67	282	67	249
Other services	46	610	13	56
<b>Total</b>	<b>1,449</b>	<b>1,828</b>	<b>470</b>	<b>580</b>
<b>Fee to other auditors</b>				
Statutory audit	0	615	0	0
Other declaration tasks with security	0	0	0	0
Tax and VAT advice	40	123	0	0
Other services	60	2	0	0
<b>Total</b>	<b>257</b>	<b>740</b>	<b>0</b>	<b>0</b>
<b>Total fees or auditors</b>	<b>1,706</b>	<b>2,568</b>	<b>470</b>	<b>580</b>

Fees for services other than statutory audit provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the Group amount to 123 tDKK (2022: 305 tDKK) and consist of tax advice in connection with the preparation of transfer pricing documentation for the Group, advice on the CSR area and other general accounting and tax advice.



<b>28. CHANGE IN WORKING CAPITAL</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
Change in biological assets and inventories	22,868	-21,450	0	0
Change in receivables, etc.	-3,355	-12,739	-8,693	-3,778
Change in trade payables, other liabilities and accruals	30,690	24,510	146	-3,479
<b>Total</b>	<b>50,203</b>	<b>-9,679</b>	<b>-8,547</b>	<b>-7,257</b>

<b>29. NON-CASH TRANSACTIONS</b> tDKK	<b>2023</b>	<b>2022</b>
Acquisition of tangible assets, cp. note 15	187,077	213,399
Of this, leased assets	-7,620	-12,972
<b>Paid regarding acquisition of tangible assets</b>	<b>179,457</b>	<b>200,427</b>
Proceeds from taking on/paying off financial debt liabilities	148,836	235,959
Of this, convertible bonds converted to shares	-22,351	-84,296
Of this, leasing debt	-7,620	-12,972
<b>Received when taking on financial liabilities</b>	<b>118,865</b>	<b>138,691</b>

<b>30. FINANCIAL ASSETS AND LIABILITIES (BOOKED VALUE)</b> tDKK	<b>Group 2023</b>	<b>Group 2022</b>	<b>Parent company 2023</b>	<b>Parent company 2022</b>
<i>Financial assets at amortised cost price</i>				
Trade receivables	28,792	26,140	0	0
Other receivables	41,563	25,519	378	506
Cash and cash equivalents	25,880	21,860	5,830	0
Receivables from affiliated companies	0	0	343,976	324,937
<i>Financial assets at fair value</i>				
Other capital shares (fair value) *	45,063	24,197	45,063	24,197
Hedging instruments (fair value)	1,374	2,622	1,374	2,622
Hedging (interest)	0	7,223	0	0
<b>Total</b>	<b>142,672</b>	<b>107,561</b>	<b>396,621</b>	<b>352,262</b>
<i>Financial liabilities at amortised cost price</i>				
Trade payables and other debt	136,050	112,680	13,131	34,833
Debt to credit institutions and leasing	608,054	477,665	128,481	83,114
Convertible bonds	0	22,351	0	22,351
Due corporation tax	1,791	4,819	0	0
Debt to affiliated companies	0	0	41,138	28,301
<i>Financial liabilities at fair value</i>				
Hedging instruments (fair value)	0	0	0	0
Hedging (interest)	0	0	0	0
<b>Total</b>	<b>745,895</b>	<b>617,515</b>	<b>182,750</b>	<b>168,599</b>

\*Other capital shares are recognised at fair value according to level 3.

The fair value is calculated based on recognised models together with recent sales and acquisitions.

## 31. RISK MANAGEMENT

### The Group's risk management policy

As a result of its operations, investments and financing abroad, FirstFarms is exposed to changes in exchange rates and interest rates. It is FirstFarms' policy not to engage in speculation. The group's financial management thus focuses solely on managing the financial risks that are a direct consequence of the group's operations and financing.

### Exchange rate risk

FirstFarms' foreign companies are not significantly affected by exchange rate fluctuations, as both income and costs are settled in local currency. The impact on the income statement in the consolidated financial statements will thus mainly concern the conversion of the subsidiaries' results to DKK.

The table below shows the effect of a 5% change in the exchange rate on EBIT and equity in mDKK, respectively.

Sensitivity to EBIT	RON	HUF	CZK
2024	0.6	1.4	0.5
2023	0.8	0.2	0.2

Sensitivity to equity	RON	HUF	CZK
2024	6.2	6.9	2.4
2023	5.3	6.7	2.7

### Interest rate risk

An increase in the interest rate of 1 %-point will - all other things being equal – entail a change in financial costs of 4.9 mDKK (2022: 2.6 mDKK).

mDKK	2023	2022
Variable interest rate debt	492.9	262.7
Effect at 1 % change	4.9	2.6

### Assets

The table below shows the sensitivity calculated as the effect of a price change of 5% on the value of the biological assets at yearend.

mDKK	2023	2022
Cows	2.6	2.6
Pigs	3.4	2.3
Land holdings	0.0	0.0

Regarding credit risks, please refer to note 19.

### Cash and cash equivalents

FirstFarms has entered agreements with banks in Denmark, Slovakia, Romania, Hungary and Czech Republic on credit lines, which, together with the present financing in the company, is assessed to cover the company's cash needs in 2024.

<b>2023</b> tDKK	<b>Accounting value</b>	<b>Contractual cash flows</b>	<b>0 to 1 year</b>	<b>1 to 5 years</b>	<b>After 5 years</b>
Non-derivative financial instruments					
Credit institutions and banks	536,426	724,284	95,074	220,370	408,840
Financial leasing liabilities	71,628	83,834	17,760	58,855	7,219
Trade payables	29,475	29,475	29,475	0	0
Convertible bonds	0	0	0	0	0
Other interest-bearing debt	9,240	9,379	9,379	0	0
Other debt	99,126	99,126	40,91	17,872	40,344
Derivative financial instruments	0	0	0	0	0
<b>31 December</b>	<b>745,895</b>	<b>946,098</b>	<b>192,598</b>	<b>297,097</b>	<b>456,403</b>

<b>2022</b> tDKK	<b>Accounting value</b>	<b>Contractual cash flows</b>	<b>0 to 1 year</b>	<b>1 to 5 years</b>	<b>After 5 years</b>
Non-derivative financial instruments					
Credit institutions and banks	412,785	477,994	154,06	173,856	150,078
Financial leasing liabilities	64,880	73,413	17,408	49,907	6,098
Trade payables	34,053	34,053	34,053	0	0
Convertible bonds	22,351	23,189	23,189	0	0
Other interest-bearing debt	23,589	24,220	14,841	9,379	0
Other debt	59,857	59,857	59,857	0	0
Derivative financial instruments	0	0	0	0	0
<b>31 December</b>	<b>617,515</b>	<b>692,726</b>	<b>303,408</b>	<b>233,142</b>	<b>156,176</b>

The parent company's most significant liabilities are debts to credit institution for financing the purchase of unlisted shares and refinancing of the activities in Romania.

For the Group, the short-term part of debt to credit institutions consists of bank overdrafts, short-term part of long-term debt and revolving credit facilities for crops and subsidies, which are continuously prolonged. As of 31 December 2023, revolving credit facilities have not been utilised.

## 32. RELATED PARTIES

FirstFarms A/S has no shareholders with controlling influence on FirstFarms A/S.

FirstFarms A/S' related parties with significant influence include the company's Board of Directors and Management. Related parties also include companies in which the aforementioned group of persons have significant interests. Besides management remuneration, cf. note 7, there have not been any transactions with the Board of Directors or Key Management in 2023.

Please refer to the parent company's balance sheet for receivables from group companies and note 11 and 12 regarding interest on balances.

In 2023, FirstFarms A/S has invoiced group contributions etc. of 9.4 mDKK (2022: 8.2 mDKK).

2023 Name	Closely related to	Convertible bonds for
Thoraso ApS	Chairman Henrik Hougaard	10,000,000 DKK    Converted 1 October 2023
Sønderborg Korn ApS	Board member Claus Ewers	4,000,000 DKK    Converted 1 October 2023
NKB Invest ApS	Vice chairman Asbjørn Børsting	1,000,000 DKK    Converted 1 October 2023
CEO Anders H. Nørgaard		750,000 DKK    Converted 1 October 2023

2022 Name	Closely related to	Convertible bonds for
Thoraso ApS	Chairman Henrik Hougaard	10,000,000 DKK
Sønderborg Korn ApS	Board member Claus Ewers	4,000,000 DKK
NKB Invest ApS	Vice chairman Asbjørn Børsting	1,000,000 DKK
CEO Anders H. Nørgaard		750,000 DKK

### 33. SUBSEQUENT EVENTS

On 29 February 2024, an agreement was reached with Constantinsborg A/S, part of the Heartland group, regarding a directed share issue and the issue of convertible bonds. A total of 1,200,000 shares have been issued at a price of 81.0, corresponding to a capital increase of 97.2 mDKK. In addition, a convertible bond of 89.1 mDKK has been issued with an interest rate of 5% and a maturity of 5 years. The conversion rate is adjusted over the period so it will be between 81-101 depending on the time of conversion.

With the capital injection, Constantinsborg A/S obtains an ownership share of FirstFarms of 10.77 percent of the share capital, and if Constantinsborg A/S chooses to utilise the right to convert the bond to shares, Constantinsborg A/S will obtain an ownership share of 18.78 percent based on the number of shares subscribed in the directed share issue.

Group mDKK	31 December 2023	Capital injection	Proforma numbers
<b>Assets:</b>			
Cash and cash equivalents	26	186	212
Balance sheet total	1,510	186	1,696
<b>Equity and liabilities:</b>			
Equity	722	97	819
Convertible bonds	0	89	89
Solvency ratio	48%	-	48%
Net interest-bearing debt/EBITDA	5.8	-	4.9
Number of shares	11,146,311	1,200,000	12,346,311

The table above shows the effect of the share issue and the issue of convertible bonds carried out on 29 February 2024 in relation to the financial figures for 2023.

There is thus no effect of operating profit etc. in the interim period.

No other events have occurred after the balance sheet date of significance to the Group's and the company's position as of 31 December 2023.

## 34. NEW ACCOUNTING REGULATION

The Group has adopted the following amended standards and interpretations with effect from 1 January 2023:

- Amendments to IAS 12 Income Taxes regarding deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 1 Presentation of Financial Statements and Practice Statement 2: Assessing materiality of disclosures about accounting policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in the Definition of Accounting Estimates
- IAS 12 Income Taxes - Amendments to IAS 12: International Tax Reform - Pillar 2 rules.

None of the above standards have had an impact on recognition and measurement in 2023 or are expected to have an impact on the Group.

The following new or amended accounting standards and interpretations, which may have relevance for FirstFarms A/S, have been adopted by IASB. The standards are assessed to have no effect on FirstFarms A/S' preparation of the annual report for 2023.

- IAS 1 Presentation of Financial Statements - Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- IFRS 16 Leases - Amendments to IFRS 16: Lease Obligations in a Sale and Leaseback
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- IAS 21 Foreign Currency Translation - Amendments to IAS 21: Non-exchangeability of a Currency.

FirstFarms does not expect, that implementation of the amended standards to have significant impact on the financial reporting.

