ANNUAL REPORT'22

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

FirstFarms A/S · Majsmarken 1 · DK-7190 Billund · CVR: 28 31 25 04

CONTENT

OUR BUSINESS

THE GROUP'S RISK MANAGEMENT

CORPORATE GOVERNANCE

FINANCIAL REPORTING

OUR BUSINESS

FIRSTFARMS
IN SHORT

INVESTMENT CASE
VALUE CREATION

Land: 18,900 hectares
hereof owned land: 8,300 hectares

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

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

4,700 sows
165,000 piglets
99,000 slaugther pigs

FIRSTFARMS **IN SHORT**

PRESENTATION OF GEOGRAPHY

FirstFarms was listed in 2006, with a goal to become one of Europe's best operated and most profitable companies in the area of agriculture and food products. We are more than 300 employees working with four branches of operation with circular connection. The Group operates from 20 locations in five EU countries. We are on a journey of growth, based on our group strategy "Vision 2025".

DENMARK
Group management, finance and business development.

CZECH REPUBLIC
Crop production: 1,150 hectares.
Pig production: 69,000 slaughter pigs.

SLOVAKIA
Milk production: 3,000 milking cows, 2,400 young stock.
Crop production: 9,625 hectares, excl. 1,250 hectares of meadows.
Pig production: 2,300 sows, 75,000 piglets, 30,000 slaughter pigs.

HUNGARY
Pig production: 2,400 sows, 90,000 piglets.
Crop production: 425 hectares.*
In addition, there are integration agreements for a total of 750 hectares, where fields are operated at the owner's expense and risk.

ROMANIA
Crop production: 5,100 hectares.**
***In addition, 600 hectares in indirect ownership.*

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.

THE MANAGEMENT REPORTS:

FIRSTFARMS A/S HAS DELIVERED ON ALL SIGNIFICANT PARAMETERS

With a profit in 2022 of 83.6 mDKK before tax compared to 45.9 mDKK in 2021, the group sets new earnings record. It is the 7th year in a row, that FirstFarms has presented profit growth.

It is with great satisfaction, that we present the result for 2022.

Despite unpredictable market conditions, extreme weather conditions, high inflation and other impacts, the Group delivers the best result ever.

Behind the positive numbers, a 2022 appears, where the efficiency reached optimal heights in all branches of operation, where the price of crops maintained the historical high and increased level from 2021, and where the price of milk set a record. The price of pigs had the same development, but it briefly lost momentum in the middle of the year and was also hit by a high cost level. But all in all, a satisfactory result.

Last but not least, the effort and commitment from those who make things happen – our managers and employees – were of a very special character.

Risk diversification showed its value again

In 2022, our invariable strategy of spreading risks showed its strength. Although prices of crops were very high, the harvest yield was uneven in terms of both quantity and quality. Romania was hit by extreme drought, which affected the harvest negatively. On the other hand, the harvest was in other countries quite reasonable, and overall, we were able to deliver satisfactory earnings from our crops.

Great activity

The long-time and successful focus on risk diversification both in production and geographically, has in recent years gained a significant strategic companion in an ever-increasing focus on a more circular operation. There are many external factors that we have no control over, but we can decide for ourselves how we run our business, and when we do it efficiently and circularly, it ensures us the necessary control over our own value chains. We work hard to continuously optimise the efficiency and circular operation in the pig production to ensure reasonable earnings, in times where the costs in pig production are very high.

In 2022, we acquired the company FirstFarms HunAgro (formerly Try-Béta) in Hungary with storage and 425 hectares rented, cultivated agricultural land and 750 hectares of land in integration agreements. The transaction cemented our development and growth in Hungary and a clear strengthening of the circular production. The crops grown in FirstFarms HunAgro end up as feed in our nearby pig production. The natural fertiliser from the pig production will be used on the fields in FirstFarms HunAgro.

It was another year of very high activity in the Group. On the internal lines, the development of competence of our managers took off. On the external lines, we initiated the construction of two new pig productions in Hungary, a solar cell project in Romania and opened the new silo plant in Slovakia, where we also bought a biogas plant, as a possible initiative within green energy.

Green transition initiated

A company of our size, with the means at our disposal and the ambitions we have for sustainable development and growth, it is given to take a very active part in the transition to green energy. The expectations are high. The aim is initially 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 solar cell project, and we expect that by the end of 2023 we will have placed solar cells on roof surfaces at several of our locations. Simultaneously with the solar cell initiative, we are now exploring the possibilities of starting biogas production together with external partners. The work to reduce the CO_2 footprint will of course continue, and we will also launch initiatives in 2023 that contribute to a better climate.

Expectations for a stable 2023

We expect stable earnings and operations in 2023 with reasonable, but volatile, prices for milk, pigs and crops. It will also be a year where we will be challenged by high purchase prices and salaries in production. We will have a generally high level of costs. A satisfactory 2023 result requires us to continue to deliver high efficiency and productivity throughout the company. We expect to do so.

It will be another year with a high level of activity and high ambitions, which once again requires a dedicated effort from all managers and employees. FirstFarms HunAgro will be fully integrated into our other activities in Hungary – the circular commissioning will be a special focus area. Our two new pig productions come into full operation.

We must respond to the major and recurring drought challenges with irrigation and/or new forms of cultivation. New initiatives in a sustainable direction, a high focus on cybersecurity, a continued upgrade of our work with biosecurity and much more.

We are well prepared to deal with the challenges we face, and we continue to invest, develop and grow our business. We will act on new opportunities that create value for our investors and for the surroundings.

We still mean it when we say that we want to be one of Europe's best operated and most profitable companies in the areas of agriculture and food products.

2023 will be an exciting year – and it is off to a good start.

Thank you for the interest and trust you show FirstFarms.

Best regards

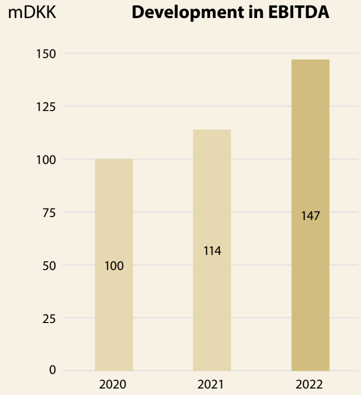
Henrik Hougaard
Chairman

Anders H. Nørgaard
CEO

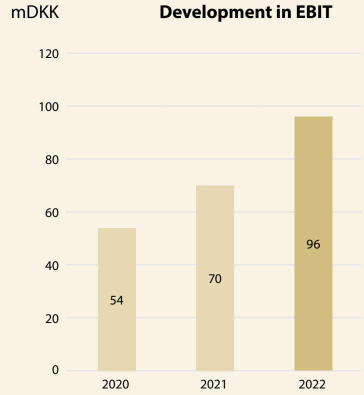
HIGHLIGHTS
2022

2022 showed progress on all significant financial parameters despite an unpredictable market. It was again a year marked by great activity. Here are a few selected highlights.

↑33 mDKK
29%



↑26 mDKK
37%



NEW SILO PLANT
IN OPERATION

In October, a large state-of-the-art silo plant in Malacky, Slovakia, was opened. A big step towards more sustainable quality products and ever greater efficiency. The savings on energy are large while the consumption of resources and time has decreased. The plant is an important element of the circular operation.

RECORD HIGH PRICES
ON MILK AND CROPS

The record high prices of crops from 2021 continued undaunted in 2022, and as the year also saw record prices of milk, the seeds were planted for a very good 2022 result.

RECORD EARNINGS - AGAIN

In 2022, FirstFarms realised higher revenue, higher EBITDA and EBIT as well as better profit before tax compared to 2021, and thus presented the best result in the company's history and progress for the 7th year in a row.

ACQUISITION STRENGTHENS
THE CIRCULAR OPERATION

FirstFarms HunAgro (former Try-Béta Kft.) was acquired, which means that the activities in Hungary have increased significantly. FirstFarms HunAgro is now being integrated into the company's circular operations in the area.

LAND AS SAFEGUARD AGAINST HIGH INFLATION

Land investments are one of the foundations in our business model. The land is a cyclically robust real asset and thus a safeguard for FirstFarms against inflation.

FOCUS ON
GREEN ENERGYI

A major investment in green energy production was initiated to become as self-sufficient as possible. Investments will continue to be made in various energy solutions.

LARGE EXPANSION
OF THE PIG PRODUCTION

Construction of two separate productions in Hungary was initiated. One facility will house 2,000 sows, the other facility will deliver 70,000 piglets annually. FirstFarms already operates pig production in the area with a total of 2,400 sows, which annually deliver 90,000 piglets. The new facilities will be put into use in the spring of '23.

DEVELOPMENT
OF THE LAND BUSINESS

FirstFarms initiated a number of small acquisitions of shares in Agri Invest A/S and owned at the turn of the year 5.8% of the total shareholding. Agri Invest owns and cultivates 10,500 hectares of land at three locations in Romania.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

Financial highlights for the Group (mDKK)	**2022**	**2021**	**2020**	**2019**	**2018***
Net turnover	**418.4**	**369.5**	**312.6**	**328.1**	**248.9**
Gross profit/loss	226.9	184.2	168.2	154.5	107.9
Result before depreciations (EBITDA)	**146.6**	**113.7**	**100.2**	**95.6**	**57.5**
Result from primary operations (EBIT)	**95.9**	**69.9**	**54.2**	**48.4**	**25.9**
Net financial items	-12.4	-24.0	-22.8	-19.4	-14.3
Profit before tax	83.6	45.9	31.4	29.0	11.5
Net profit	**65.5**	**34.8**	**24.8**	**22.4**	**8.1**
Proposed dividend	9.0	6.7	5.7	0	3.3
Non-current assets	1,048.7	834.7	954.1	849.3	596.5
Current assets	292.8	263.8	187.9	222.8	178.0
Total assets	**1,341.5**	**1,098.5**	**1,142.0**	**1,072.1**	**774.5**
Share capital	94.6	78.6	75.7	63.2	61.6
Equity	**683.1**	**530.1**	**483.5**	**392.3**	**270.1**
Non-current liabilities	404.3	327.7	465.0	433.1	289.9
Current liabilities	254.1	240.7	193.4	249.7	114.5
Net interest-bearing debt**	**501.7**	**390.1**	**520.4**	**546.9**	**338.0**
Cash flow from primary operation	**89.7**	**77.7**	**79.6**	**101.0**	**24.3**
Cash flow from operating activity	69.8	46.3	47.2	78.1	9.3
Cash flow from investment activity, net	-245.4	109.7	-13.2	-85.8	-40.2
Of which for investment in tangible assets	-213.4	-72.8	-93.6	-89.5	-42.5
Cash flow from financing activity	120.0	-86.2	-29.3	7.1	28.3
Total cash flow	**-55.6**	**69.7**	**4.7**	**-0.6**	**-2.6**
Key ratios for the Group					
Gross margin	54.2	49.9	53.8	47.1	43.4
EBITDA margin	**35.0**	**30.8**	**32.1**	**29.1**	**23.1**
Operating margin	22.9	18.9	17.4	14.8	10.4
Solvency ratio	51	48	42	37	48
Result per share, DKK	**7.56**	**4.51**	**3.57**	**3.55**	**1.32**
Diluted result per share, DKK	6.60	4.06	3.36	3.33	1.32
Divided per share, DKK	**0.95**	**0.85**	**0.75**	**0.0**	**0.53**
NIBD/EBITDA	3.4	3.4	5.2	5.7	9.7
Return on equity	11.2	6.9	5.7	5.9	2.4
EBITDA	328	318	334	309	279

*) Financial highlights and key ratios for 2018 are not adjusted in relation to IFRS 16 (leasing).

**) Interest-bearing deb 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	(Gross profit/loss x 100) / Net turnover
EBITDA margin	**(EBITDA x 100) / Net turnover**
Operating margin	(Profit/loss from primary operation x 100) / Net turnover
Solvency ratio	(Equity x 100) / Total assets
Result per share	**Net profit / Number of shares**
Diluted result per share	Adjusted result / Diluted number of shares
Dividend per share	**Proposed dividend / Average number of shares**
NIBD/EBITDA	Net interest-bearing debt/EBITDA
Return on equity	(Net profit x 100) / Average equity
EBITDA	Profit/loss from primary operation(EBIT) added depreciations


SK 8135
54900
SK 8135
54900
SK 8135
54864
SK 8135
54864
54878
FirstFarms

HENRIK HOUGAARD ABOUT FIRSTFARMS' NEW BIG VENTURE:

WE MUST ENGANGE IN **THE GREEN ENERGY**

The green mindset and investments in green energy go hand in hand with a commercial business mindset, where we must make money for the company's growth and our shareholders, says FirstFarms' Chairman of the Board of Directors, Henrik Hougaard, in this letter.

When we manage as large areas as we do, have as many animals and employees as we have, and the economic foundation is present, it is our duty to take the lead in the transition to green energy. Of course, we must take responsibility. We have all the factors needed.

In the first instance, we must produce the energy we need ourselves. I truly believe in the importance of making ourselves as energy-independent as possible in relation to external factors over which we have no control. The next step will be to develop a regular, healthy business and make money from the energy we produce.

We are well underway

We have chosen to start our focus on green energy with photovoltaic systems, which we are already in the process of installing on our storage and stable buildings. We have started by utilising our many large roof surfaces, as it is the fastest way to get started producing energy for use in our own units. From the time we decide until we produce, it only takes a few months.

Of course, the field areas have a much greater business potential compared to solar cells, but it takes at least 2-3 years to get the right permits, get started, and to be connected to the local supply networks. The next step will be to gradually develop the actual business leg on our fields.

Biogas is a natural step two. We have recently purchased a biogas plant in Slovakia and are currently exploring the possibility of initiating a biogas business. It is a strategic initiative that requires large investments, as well as an expansion of the organisation.

Wind energy is of course also in our considerations.

The value is greater than the challenges

Of course, there are challenges associated with developing and producing green energy. The investments are large, we must affiliate the necessary 'know-how', it requires management capacities, and you have to spend energy on producing energy.

However, the challenges are small compared to the great value green energy creates. The value is not limited to producing and utilising our own energy in the short term and to making money by selling the energy in the slightly longer term. For example, our risk diversification is further increased and strengthened. Risk diversification is already one of FirstFarms' greatest strengths. Another value creation happens in our circular operations. Utilising our roof areas and our natural fertilisers to become self-sufficient strengthens circularity and provides an increased overview of the value chain. It also reduces our costs and increases our efficiency. Last but not least, our focus on green energy contributes to significantly reducing our CO_2 footprint and to creating a more sustainable company. This is beneficial for climate and environment.

'If green energy is such a good idea, why are you only starting up now?' is a question that is obvious to ask. The answer is that we are ready now. FirstFarms is on a growth journey that is based on a sound foundation and good development. We have a goal to become one of Europe's best operated and most profitable companies in the area of agriculture and food products. Now we are ready to add green energy to our journey towards achieving our ambitious goal.

"We are currently in an energy crisis, where most people have realised that we are as dependent on energy as on food."

HENRIK HOUGAARD,
CHAIRMAN OF THE BOARD OF DIRECTORS

500 kW plant in FirstFarms Agro East, Romania

FIRSTFARMS **TAKES RESPONSIBILITY**

Social responsibility is a prioritised strategic area in FirstFarms, which has focus on the environment, the employees, the animals, the interaction with the local communities and a sustainable development. To take social responsibility is completely in line with the commitment FirstFarms has made; to contribute to a healthier world with food products, which are produced with respect for people, animals, soil and climate.

Support to UN's Sustainable Development Goals

FirstFarms supports and contributes to UN's 2030 agenda and the 17 goals for a more sustainable development. Thus, the Group is systematically working with activities, that support UN's Sustainable Development Goals, including "Zero hunger", Responsible consumption and production", "Life on land", "Climate action" and "Decent work and economic growth". To highlight the work on a sustainable development, FirstFarms uses Nasdaq's recommendation for reporting - ESG-data (Environment, Social, Governance).

ESG-data contains standardised main and key figures that cover the Group's work with environment and climate, social conditions and corporate governance.

From 2020, the key figures were included in the annual report for social responsibility, and the figures will give the surroundings insight into FirstFarms' work with sustainable development, and how the Group performs in this area.

www.firstfarms.dk/en/investor-relations/corporate-social-responsibility/2023-annual-report-2022

"Climate changes are one of the biggest challenges future generations will face. At FirstFarms, we are continuously working to reduce our climate footprint and adapt our production to the new climatic conditions."

INNA MITLYTSKA, CSR RESPONSIBLE

THE BUSINESS MODEL
- VALUE CREATION

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

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

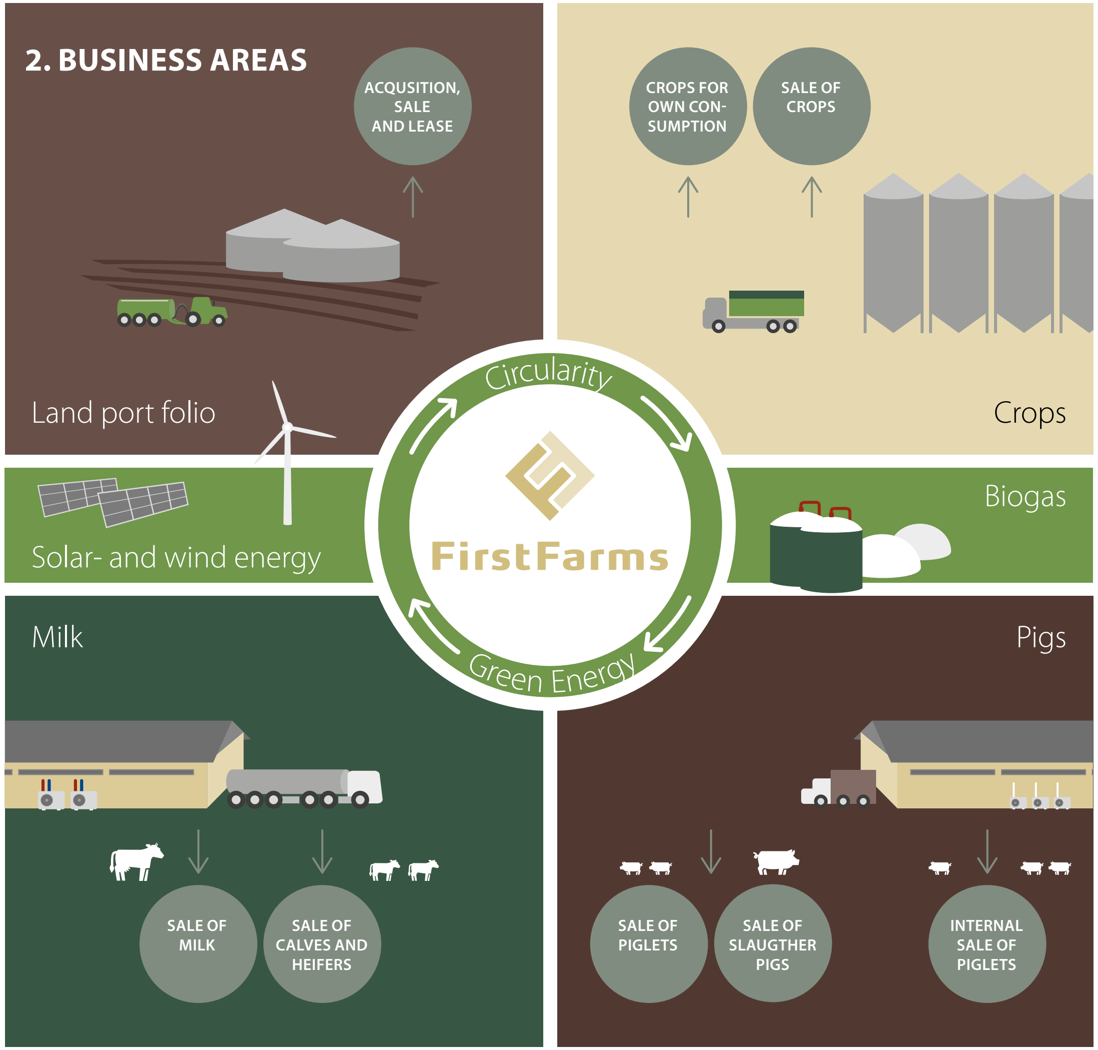
1. KEY RESOURCES

Human resources
More than 300 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 acccess 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.



3. VALUE CREATION

The employees
We strive to improve the working conditions to be able to offer employees an attactive 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 sustainbale 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.

FINANCIAL REVIEW:

RECORD EARNINGS IN A VOLATILE YEAR

FirstFarms delivers earnings in 2022, which are better than expected at the beginning of the year. The Group's EBITDA and EBIT have been lifted significantly, and the result after tax has improved significantly.

"2022 has been a year marked by high volatility and increasing inflation, despite this, FirstFarms has succeeded to continue the positive development and strengthen the capital by over 150 mDKK."

MICHAEL HYLDGAARD, CFO

The Group's result after tax is 65 mDKK, which is an improvement of 31 mDKK compared to 2021.

EBITDA and EBIT end at 146 mDKK (2021: 114 mDKK) and 96 mDKK (2021: 70 mDKK), respectively. At the start of 2022, the expectations for EBITDA and EBIT were 80-120 mDKK and 35-75 mDKK, respectively. The significantly improved result is driven by high efficiency combined with high prices within all production branches - including a record high milk price that has increased throughout the year.

Milk production has increased by 5% in 2022 compared to 2021.

Announced expectations 2022

mDKK	EBITDA	EBIT
23 January 2023	140-150	90-100
2 November 2022	110-140	65-95
24 August 2022	90-130	45-85
23 March 2022	80-120	35-75

FINANCIAL REVIEW:

RECORD EARNINGS IN A VOLATILE YEAR - CONTINUED

Good development in the production

In 2022, FirstFarms has managed to maintain the high level of efficiency in the pig production, which was negatively affected by high feed and energy costs.

At the same time, prices for pigs have been increasing towards the end of the year, which has had a positive effect on the result.

The price of milk and the positive productivity development in the milk production have both influenced the development positively in 2022. Just like for pigs, earnings are negatively affected by increased costs for feed and energy.

The crop production, particularly in Romania and Slovakia, has been characterised by minimal rainfall, which has affected the harvest yields. The prices of the crops have compensated for the lower yields and the Group has received state subsidies due to drought.

Again in 2022, the Group's risk spread, both geographically and across branches of operation, has great significance for the Group's earnings.

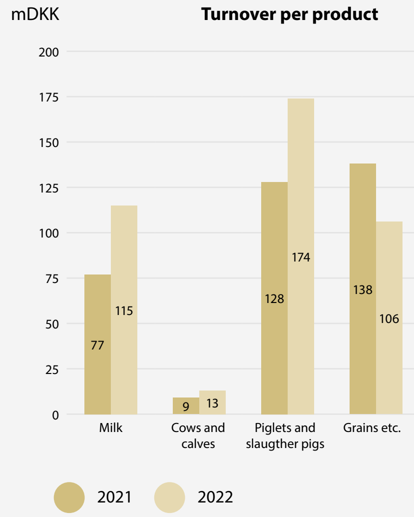
Volatile, but generally high prices

The market prices for slaughter pigs have on average been above expectations, and at the end of 2022 the prices were still at a high level. Piglet prices were at a low level at the beginning of 2022, but improved during the year.

The turnover on pigs has increased by 47 mDKK, which is mainly driven by higher prices.

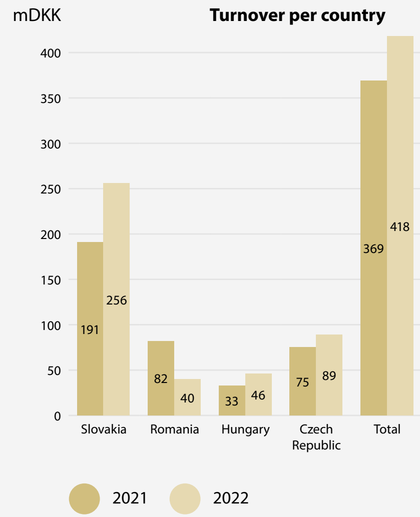
The efficiency in the milk production has been good, and the milk price is historically high and significantly above expectations. Overall, a satisfactory development in the milk production, which has led to an increase in revenue from the milk production of 38 mDKK, corresponding to 49%.

The turnover in the crop production has been lower than expected. Yields have been lower than expected in several companies. The drought has meant reduced yields and lower sales of crops. At the same time, there are crops in stock at the end of 2022, which are expected to be sold in the first half of 2023. Prices have been favorable, and prices have been realised at historically high levels. Overall, however, it has not been able to compensate for the lower yield in Romania and the lack of trade in crops. The turnover is also negatively affected by trade in crops in Romania, which has not been possible to the same extent as previously due to the drought. The turnover on crops has been reduced by 50 mDKK compared to 2021.



↑32 mDKK

16%



FINANCIAL REVIEW:

RECORD EARNINGS
IN A VOLATILE YEAR - CONTINUED

Overall, the turnover has increased by 32 mDKK compared to 2021 – corresponding to 9%.

The earnings develop positively
EBITDA for 2022 amounts to 147 mDKK, that is an increase of 33 mDKK, EBITDA margin has consequently increased to 36%, corresponding to 5% points. This is a satisfactory development compared to the volatile market in which FirstFarms has operated.

The business model with risk spreading across different branches of operation works, and therefore the Group can continue the positive development in EBITDA.

The increasing interest rates during 2022 also have an effect for FirstFarms. FirstFarms has hedged part of the debt with a fixed interest rate.

Balance
The Group's land portfolio is booked at cost price. Land makes up for 34% of the Group's total assets. FirstFarms considers land as a stable asset, which protects FirstFarms against inflation.

In 2022, there has been a significant increase in the total limitation in biological assets and inventories. This is due to a general increasing price level, higher prices for crops at harvest time and that fertilisers and chemicals for 2023 have been delivered before 31 December. In total, the value of this is 274 mDKK against 189 mDKK in 2021.

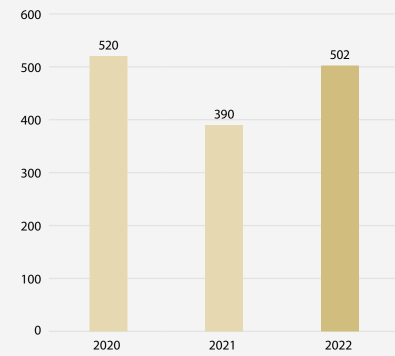
Investments are continuously made within all branches of operations, which is crucial for FirstFarms to maintain the risk-balanced model within both branches of operations and geography. Investment has therefore been made in additional silo capacity in Slovakia. In addition, the Group has initiated the construction of a unit with 2,000 sows, which is expected to produce 75,000 piglets annually with expected full effect from 2024. Furthermore, the Group has acquired 5.8% shares in Agri Invest A/S, with activities in Romania. The company owns and operates approx. 10,500 hectares, the total investment amounts to 24 mDKK per 31 December 2022.

Equity has increased as a result of the year's result, conversion of bonds and utilisation of warrants during the year. The total strengthening of the capital amounts to 153 mDKK, of which the conversion of bonds amounts to 84 mDKK. The Group will thus end up with a solvency ratio of over 50% at the end of 2022.

↑ 112 mDKK

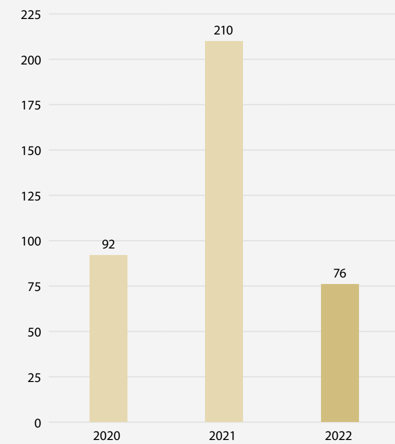
29%

mDKK **Development in net interest-bearing debt**



↓ 134 mDKK

mDKK **Development in free cash flow**



FINANCIAL REVIEW:

RECORD EARNINGS
IN A VOLATILE YEAR - CONTINUED

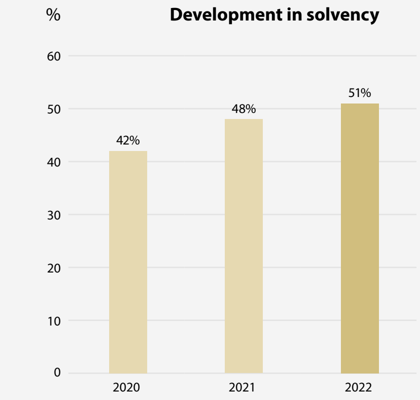
Cash flows

Cash flows from operating activities in 2022 were 70 mDKK – increased from 46 mDKK in 2021. Sale of assets amounted to 6 mDKK – against 164 mDKK in 2021.

FirstFarms' net interest-bearing debt has increased from 390 mDKK to 500 mDKK - an increase of 110 mDKK. The most significant investments relate to silo facilities in Slovakia, the acquisition of crop production in Hungary and the ongoing construction in Hungary to 2,000 sows.

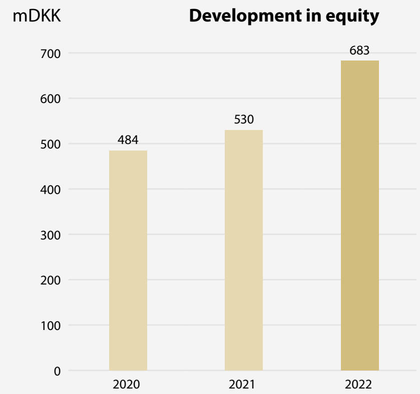
In 2022, FirstFarms has refinanced the bank debt in Romania - a total of 60 mDKK - with a repayment profile of 20 years.

↑3%



↑153 mDKK

29%



MILK:

THE MILK PRODUCTION CAME TOGETHER

2022 was the year where the price of milk exploded.
So did efficiency and productivity.

The price of milk is a good example of the changing markets FirstFarms operates in. In the annual report for 2021, the Group reported stable but low milk prices. The ink was hardly dried before the market had turned on a dime. 2022 was favoured by increasing milk prices that resulted in an all-time high level. At the same time, the efficiency of FirstFarms' milk production was at a very satisfactory level. The good 2022-result can therefore to a great extent be attributed to milk production.

FirstFarms delivered 33.4 million kg of milk in 2022 against 31.6 million kg in 2021. In 2022, the average milk price reached 3.44 DKK/kg compared to 2.43 DKK/kg the year before.

Outstanding efficiency
Productivity was also increasing compared to 2021. The yield in milk has been steadily increasing for several years but stabilised towards the end of the year.

At the end of the year, the herd constituted to 3,000 milking cows (2021: 2,850) and 2,400 youngstock (2021: 2,700).

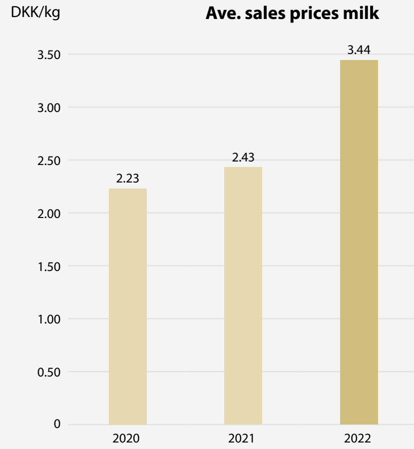
FirstFarms often refers to the milk production as the company's stable engine. In 2022, however, the efficiency was outstanding, not least when it came to the utilisation of feed and logistics.

The milk prices have decreased at the beginning of 2023, but are still at a high level, and FirstFarms expects another satisfactory year in the milk production with a delivery of 34 million kg of milk at an average milk price of 3.80 DKK/kg.

New opportunities
The Group will continue to focus on improving both efficiency and productivity, but as a consequence of the central importance of milk for FirstFarms, resources have also been released to investigate the possibility of various value increases in milk production. FirstFarms has as its stated mission to act on new opportunities that create value for both the Group and for the investors, and is convinced that there are great opportunities in the value chain around milk.

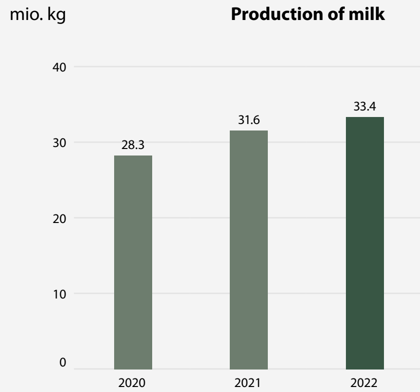
Development in the milk price

↑42%



Development in the production

↑5%



"Once you have learned to milk, it becomes a mission instead of a job."

RENÉ ONDREJIČKA, TEAM LEADER

OUR EMPLOYEES:

THE MILK MAN

The work with the milking is the most central area of the production. René Ondrejička has known since he was a boy, that he wanted to be a "milker".

René loves working with dairy cows, and since 2015, it is FirstFarms that has had the pleasure of his passionate effort. René is employed in the milk production in Slovakia, where he has held several functions, but the one he perhaps loves the most is the job as a "milker". The milking takes place in milking carousels.

"I became interested in animals, when my mother, who also milked cows, took me to work. Already then, I decided I wanted to be a milker. It's an interesting and demanding job."

Important to know your cows

The work as a "milker" requires, that you anticipate and sense the individual cow and its behaviour. It is important how you take care of the cow, so it does not get stressed. Also, not all cows like to be milked. You can get off wrong, if you don't pay attention and learn to read the cow's signals.

"I am very aware of the differences between the individual cows, and I try to remember their ID numbers based on their appearance," says René.

His passion really shines through, when he goes through the individual elements of milking with great love; the meeting with the cow, the disinfection of the udders, the attachment of the milking machine, control of the milking and more disinfection.

"And always a watchful eye on its legs," he asserts – for safety reasons.

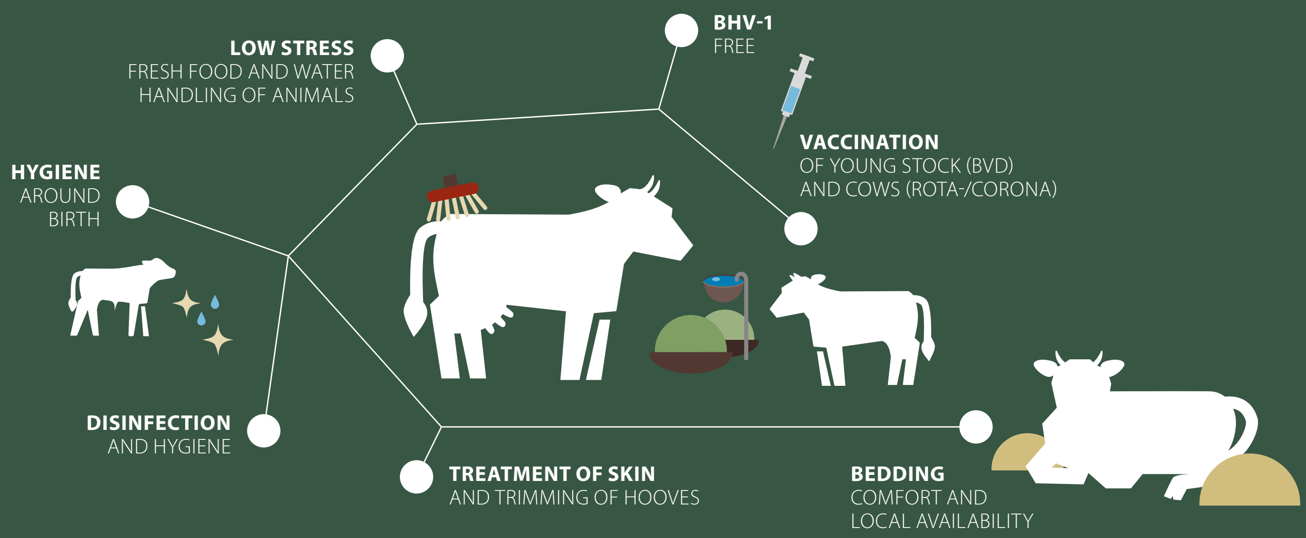
Good friendship

The friendship with colleagues is also important. "We can have fun together during milking, laugh at each other, and sometimes at the cow. For example, when it impatiently is signalling; then milk me though."

FirstFarms' milk production in Slovakia consists of 5,400 animals, of which 3,000 are milking dairy cows and 2,400 young stock.

FIRSTFARMS

HEALTH IN DAIRY HERD



GENERAL FOCUS AREAS TO ENSURE A HIGH A HEALTH STATUS ON THE FARM
Good hygiene practice
Good sanitations and management practices, including nutrition and feeding plans
Separation of animals and avoidance of overcrowding
Regular herd testing incl. testing of blood and milk samples and animals' observation
Vaccination program
Disinfiction of the equipment
Reduction of transportation and logistics on and between the farms
Antibiotic treatment at infection

DISEASES AND VIRUSES MOST COMMON	**MEASUREMENT** TREATMENT
Bovine virus diarrhea (BVD)	Vaccination of young stock
Bovine Herpesvirus 1 (BHV-1)	Herd is BHV-1 free
Paratuberculosis	Hygiene around birth
Coccidiosis	Hygiene, disinfection, low stress
Neonatal diarrhea – Rota-/Coronavirus, E. Coli and Cryptosporidiosis	Rota-/Coronavirus vaccination of the cow E. Coli and Cryptosporidiosis - hygiene
Digital dermatitis	Treatment of the hooves with an acid to improve quality of the hooves


CLAAS
8800
LEXION
agrall
30
FirstFarms

LAND:

INFLATION PROOF INVESTMENT

FirstFarms seizes new opportunities in the land business.

FirstFarms escalated the land business in 2022, where a number of passive land investments were made in Agri Invest A/S, which owns and cultivates 10,500 hectares of land with conventional crops and with appurtenant machine, silo and storage capacities at three locations in Romania. FirstFarms acquired the first shares in the company in July 2022. At the turn of the year, the ownership was up at 5.8%, and FirstFarms expects to make further acquisitions of smaller shareholdings in Agri Invest.

The acquisitions of shares are also in line with FirstFarms' wish to act on new opportunities that create value for the Group and shareholders. The acquisition is considered part of our land acquisition strategy.

Land purchase as expected

Returns on land are increasing – also in Central Europe. At the same time, land ownership is a sure safeguard against inflation. FirstFarms made the active land acquisitions, which the Group had expected.

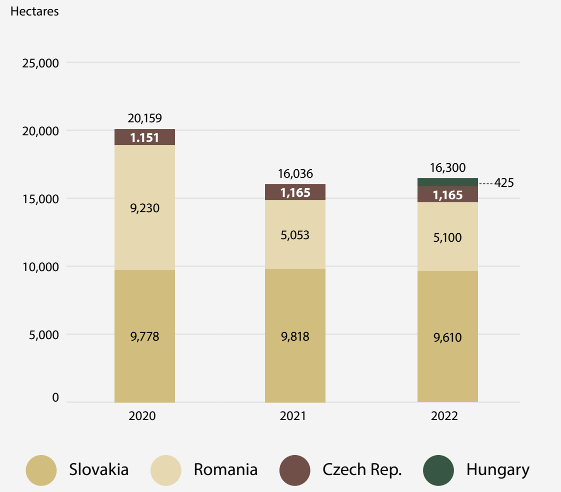
Land is one of the foundations

Land ownership and trading is one of the foundations of FirstFarms and land accounts for 34% of our total assets. The land is booked at cost price, and FirstFarms considers land as a stable asset, an inflation proof investment and the shareholders' savings.

The Group acquires or rents larger areaes divided in smaller fields. We develop and compact them into larger fields, enabling a more efficient operation taking into account the biodiversity, thereby creating added value together with the general price increases on land. Land can be acquired as a direct or indirect investment.

At the same time, developed land, which is not part of the forward-looking strategy, is sold at well above acquisition price. This creates cash flow and economic foundation for development and growth of the rest of the business and new land acquisitions. Most recently, the Group has seized a new long-term opportunity – the passive land investment in Agri Invest.

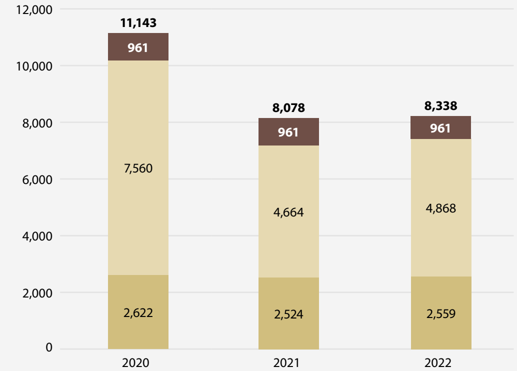
Development in land port folio
- land in operation



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

ANDERS H. NØRGAARD, CEO

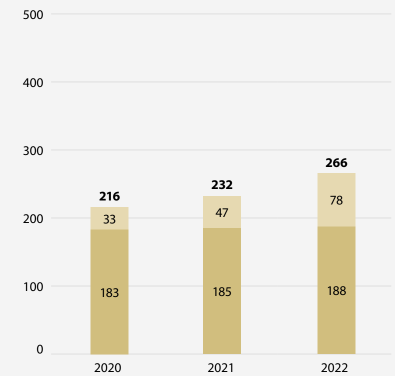
Development in land port folio
- land in ownership



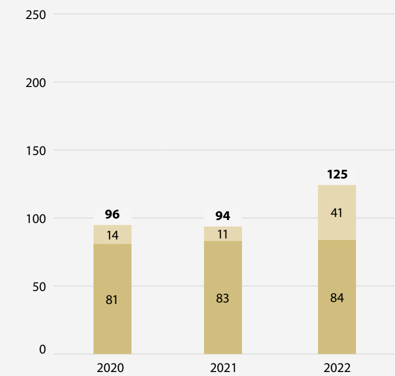
Slovakia Romania Czech Republic

Development in value of land

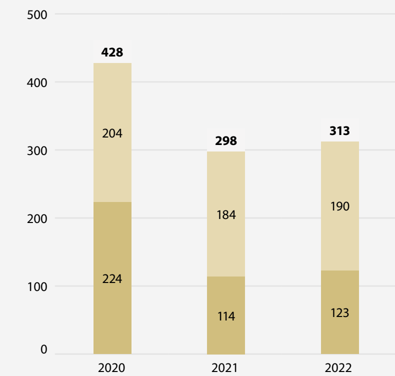
Slovakia



Czech Republic



Romania



Booked value of acquired land Added value

FirstFarms

CIRCULAR OPERATION:

IT ALL STARTS WITH **THE SOIL**

A healthy soil is a prerequisite for optimal circular operation.

"An optimal crop production requires that we constantly focus on improving the soil quality and adapt it to the climatic conditions."

ING. BÁLINT GRÓF, AGRONOMIST

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...

The recipe for efficient cultivation, optimal circular operation and thus increase in value sounds simple, but for the equation to work out, it requires a sustained focus on optimising the nature of the soil and adapting the soil to the climatic conditions that are shifting.

Targeted effort

For many years, FirstFarms has worked focused to improve the quality of the soil to ensure a more cultivation-safe soil, and new initiatives are continuously tested.

For example, the company has good and long experience in testing and growing various cover crops, not least in the Czech Republic, where a large part of the arable land is reseeded. It provides a better structure, a more porous soil and is an important part of a healthy crop rotation.

"The cows produce more milk when the feed quality is first class. That it is, when it is grown in healthy soil."

ING. SJAAK VAN BURGSTEDEN,
LEADER OF THE MILK PRODUCTION

FirstFarms also has 15 years of good experience in mulching the straw, as it is done in Romania. In Slovakia, the straw is removed from parts of the area to be used in cattle farming, and then the natural fertiliser is returned to the fields in the next year of cultivation.

FirstFarms has also good and long experience with ploughless tillage.

Common to the above initiatives is that they contribute to a more fertile soil, that the efforts are constantly improved and that they strengthen the circularity and thus also the value increase.

FirstFarms also tests strip till, where the soil is only cultivated in stripes. This year, about 1,000 hectares will be cultivated according to this method. A slightly smaller area will be seeded completely without the soil being worked, as the company also tests no-till cultivation.

CA is a benchmark

Conservation agriculture (CA) is not a foreign concept in FirstFarms, who uses CA as a benchmark for the future operation.

"Our goal is to cultivate our soil in all countries to a lesser and lesser extent in the future, as it generally provides a better soil quality. However, geography, climate, crops, local conditions and not least our animal production entail that there is a big difference in how we can and shall work our soil in the best possible way, and here unworked soil is not always the solution. For example, we must make optimal use of our good natural fertiliser and nutrients in accordance with current legislation, and this means that we deposit it in the soil, which is best for the environment," says COO of FirstFarms in the Czech Republic, Bjarne Maj.

BJARNE MAJ, COO

The climate changes also require a high soil quality. Long drought periods – not least in Romania – mean that water retention is a high priority here. The less the soil is touched, the better the soil binds the water, so in Romania a continuous reduction of tillage has a high priority.

PIGS:

FLUCTUATING PRICES BUT **SATISFACTORY EARNINGS**

FirstFarms' continuous work to optimise the efficiency of the pig production bore fruit in a turbulent year in terms of price.

The price of piglets and slaughter pigs fluctuated a lot in 2022. The year ended with positive trends and high efficiency, and well-functioning cost management entailed, that it was possible to deliver satisfactory earnings. However, pig prices were too low in relation to the cost level, which was negatively affected by general inflation.

The average price of piglets was 57 EUR, which was in line with expectations, whereas the average price of slaughter pigs ended at 1.80 EUR/kg, which was above expectations. The revenue from pigs was 174 mDKK, which was 46 mDKK higher compared to 2021.

Focus on risk minimisation

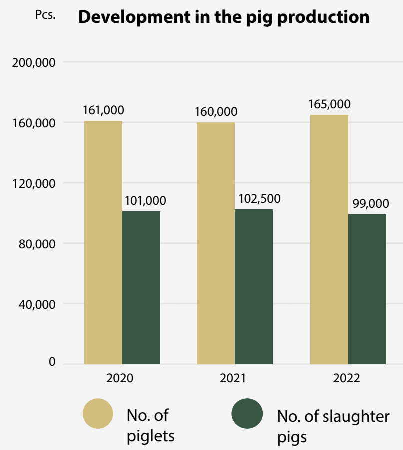
FirstFarms' pig production is based on 4,700 sows with an annual production of 165,000 piglets, of which 35,000 are used in own slaughter pig production. The remaining piglets are sold on the regional markets. The production is divided into eight units in three countries and thus ensures risk minimisation on several areas.

In 2023, FirstFarms will increase the pig production significantly. When the two new facilities in Hungary are fully operational in 2024, the production of piglets will increase by 40%.

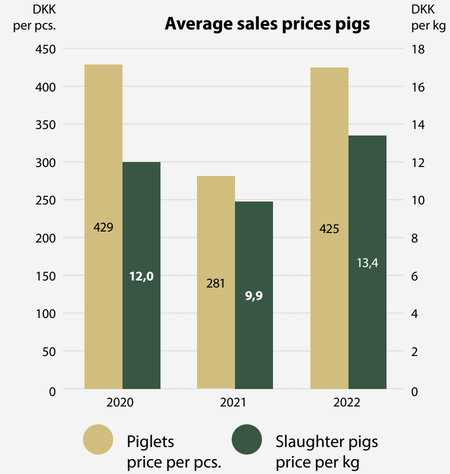
Strong competitiveness

The market for pigs is generally characterised by great uncertainty. The decreasing export to China has resulted in lower production in EU, where approximately 10% of the mother animals have disappeared. In addition, the consumption of pig meat has decreased in several countries, which has contributed to the unrest that has characterised the market. However, FirstFarms produces and sells in countries where the Group has a high competitiveness in a European perspective. Partly, there is a relatively low degree of self-sufficiency, which means that there is a demand for the Group's products, and partly, the countries, in which FirstFarms operates, are among the cheapest to buy feed in.

↑3%
↓3%



↑51%
↑35%




FirstFarms

CROPS:

HIGH PRICES BUT UEVEN HARVEST YIELD

2022 was the story of the swings and roundabouts principle, where historically high prices outweighed a tolerable harvest.

Like 2021, the year showed historically high crop prices. However, the crop production was characterised by large fluctuations, both in prices, quality and in harvest yield geographically. The harvest was negatively affected by extreme weather conditions such as severe drought in Romania. However, the high crop prices compensated for the somewhat uneven harvest yield.

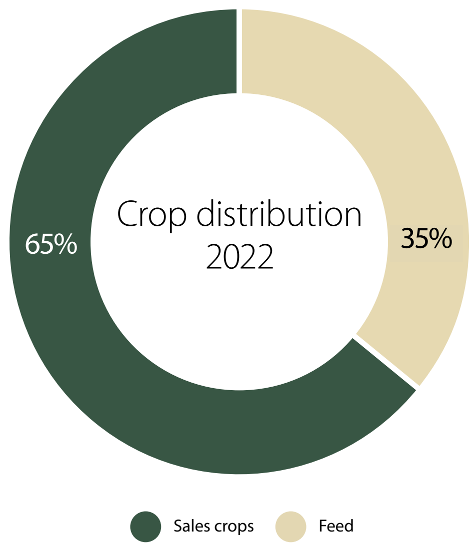
Focus on the circular operation

In 2022, FirstFarms used 35% of its own produced crops in its own animal production, while 65% was sold primarily to the food industry. The Group is continuously working to improve circular development between all branches of operation. The great focus on circularity means, that the crops produced are to a great extent sold and consumed regionally or used for feed for the company's own cows and pigs.

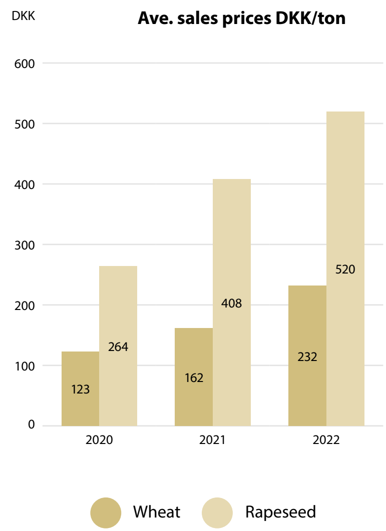
FirstFarms has included a market value adjustment on harvested crops of 30 mDKK in 2022 against 9 mDKK in 2021.

Expectations for large price fluctuations
FirstFarms is looking into a more uncertain 2023 in the crop production, where it is expected that price fluctuations will also be large with a satisfactory average price. Direct costs are expected to be at a higher level compared to 2022.

The Group is prepared to operate under increasingly extreme weather conditions in the future. Therefore, FirstFarms is constantly investigating and initiating measures to counteract the negative effects of extreme weather in the crop production. In Romania, where recurrent long periods of drought are gradually becoming the norm, the plan is to implement a major irrigation project.



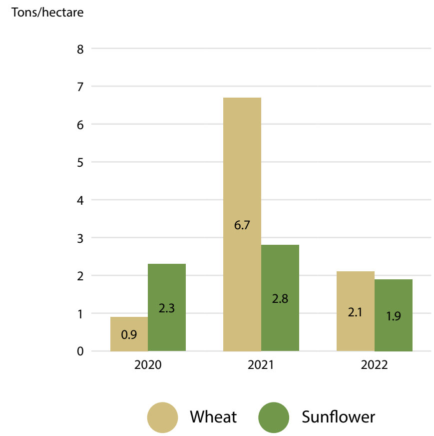
↑32%
↑55%



Yield Slovakia

Yield Czech Republic

Yield Romania



NEW SILO FACILITY:

THE EFFICIENCY **AT THE TOP**

FirstFarms' new silo facility in Malacky, Slovakia, is a striking example of the efficiency, circularity and future thinking that the Group strives for.

The plant, which was opened in October 2022, consists of silos totalling 13,000 tons, cleaning and drying.

It is built on a location where FirstFarms already operates plant production. It provides an incredible efficient working day and harvest period, and it is a significant contribution to the circular operation that is very close to FirstFarms' heart.

Efficient working day

Søren Nielsen, COO and responsible for FirstFarms' activities in Malacky, gives a number of examples of the major efficiency improvements that have come with the silo plant.

"When the truck arrives with grain, we analyse the quality of the load while the car is on the weighbridge. The grain comes in the silo that corresponds to the quality of the load. We sort wheat into three qualities. It gives us a very high added value on the sales side, that we can offer the customer exactly the desired quality while getting the right price for the right quality."

Positive impact on earnings

Previously, Søren and the team did not have the same opportunity to be so consistent in the sorting, and the working hours, that were put into it, were many. For example, the grain had to be moved more around to optimise on the sales side.

Another efficiency improvement with great importance for earnings is the good drying or aeration, which means that the crops are quickly dried or cooled down after harvest and can thus be stored longer. "In the past, we had some warehouses where it was often not too good, if the crops stayed too long. We could therefore be forced to sell the crops at times that were not optimal in terms of price. Now that the crops can be stored for a long time, we can sell at times when the price of the crops is optimal for us."

Built with growth in mind

The silo plant includes a state-of-the-art dryer, which has been chosen due to the lower energy consumption and recirculation of the air.

FirstFarms has an ambitious development and growth strategy. The silo plant is therefore built with growth in mind. Everything in and around the plant is built and prepared for future expansions. It is possible to expand the storage capacity to three times the current size.

"All processes have become less labour-intensive with easy and fast unloading in the harvest, optimal storage of the crops, fast loading of trucks when delivering grain," emphasises Jan Cogan, chief agronomist and Peter Svorec, chief mechanist, who flanks Søren Nielsen.

EXPECTATIONS TO 2023:

FIRSTFARMS EXPECTS A **STABLE YEAR**

FirstFarms expects to be challenged by high purchase prices in production and a generally high cost level. Despite the challenges, the Group expects a satisfactory result with an EBITDA of 90-120 mDKK and an EBIT of 45-75 mDKK against a realised EBITDA of 147 mDKK and an EBIT of 96 mDKK in 2022.

THE KEY **TO SUCCESS**

Success in 2023 depends on the ability to continue to deliver high efficiency and productivity throughout the operations. The focus will be on creating as much value as possible in the circular operation and value chains around our products.

SPEED UP ON SOLAR PANELS

By the end of 2023, FirstFarms expects to have installed solar cells at a number of locations. The effort was initiated in 2022 and the solar cells will be placed on the roofs of storage and stable buildings. The solar cells are the first step in a major green energy initiative.

ACQUISITION AND TRADE WITH LAND

Also in 2023, opportunities will be seized, when added value can be created through acquisitions of farms or through trading of land. FirstFarms has a large network in the market and follows the development in trade in land and agriculture.

INCREASING COSTS

We are looking into a high cost level due to several factors such as increasing salaries, high prices for feed and energy. It is expected to be the animal production that will pull the earnings load in 2023, as crop production is particularly challenged by high production costs.

DEMANDED PRODUCTS

Inflation and energy crisis means, that consumers are looking more at price than in the past, but they are still demanding sustainable local products and good animal welfare. Demand for FirstFarms' products will continue to be high in 2023, and the Group complies with consumer demands.

INTEGRATION OF **NEW PIG PRODUCTION**

In May, the first pigs arrive at the two new pig productions in Hungary. It is expected that the productions will be 100% incorporated by the end of 2023. The new facilities are part of the circular operation, which includes the Group's other pig and crop productions in the immediate area.

EXPECTATIONS TO 2023:

FIRSTFARMS EXPECTS A **STABLE YEAR** - CONTINUED

EXTREME WEATHER REQUIRES NEW INITIATIVES

Extreme weather conditions are a major challenge in the crop production. Therefore, initiatives will also be launched in 2023 to reduce the negative impact of severe weather conditions. There will be a focus on irrigation projects, optimal soil treatment and new production methods. But the Group's greatest strength, in terms of dealing with the effects of extreme weather, will also om 2023 be the geographical risk spread.

INVESTMENT IN **SUSTAINABLE DEVELOPMENT**

In 2023, further investments in plants, buildings and machinery will be made towards a more sustainable business. Investments will also be made in initiatives that support the risk diversification in the business model.

NEW **CSR-INITIATIVE**

FirstFarms will prioritise the further implementation of "Cool Farm Tool", which is a tool for calculating the Group's full CO_2 footprint across all subsidiaries.

FOCUS ON **CRITICAL INFRASTRUCTURE**

FirstFarms is aware of the ever-increasing risk of a cyberattack and acts accordingly. In 2023, the Group will invest additional funds and resources in IT and data security measures to protect the critical infrastructure from cybercriminals.

COMPETENCE BOOST

A prerequisite for development and growth is committed managers and employees with the right qualifications. Based on the completed employee satisfaction survey in 2022, efforts will continue to strengthen the competencies in the organisation. There will be a focus on training and development internally and a focus on ensuring optimal new hires.

OUR EMPLOYEES

BIG COMPETITION FOR **THE YOUNG WORKFORCE**

An important task is ongoing in attracting young people to FirstFarms.

SZILVIA SZEKERES,
HR-RESPONSIBLE

"The program and support from FirstFarms Hungary are unique in this country, and my scholar ship entails, that I can contribute to the development of a sustainable food production."

GÁBOR GUBUCZ,
UNIVERSITY STUDENT

Young workforce does not grow on trees in agriculture. FirstFarms takes the problem seriously.

"We need the young people to future-proof our company and secure the food production of the future. We need their commitment, their worldview, ideas and the professionalism they bring," says CEO Anders H. Nørgaard and continues:

"It requires us to be attractive - have something to offer. We must be able to accommodate them, their expectations and demands. It also requires us to offer ourselves. They don't come by themselves."

Huge effort

FirstFarms is therefore in fierce competition to attract young people, and one of the places where the effort looks promising is in FirstFarms Hungary, where the number of job applications from young people has increased significantly and where the majority of new hires are now young people under the age of 30.

HR Manager Szilvia Szekeres says that this is due to several things:

"It requires a lot of visibility. Therefore, we are constantly out in schools and institutions to talk about FirstFarms and about working in the agriculture. We also use the local press to reach young people. But it is not enough with talk and with visibility, we also have to deliver when the young person is employed."

"Of course, young people have high expectations. They want to be kept informed on an ongoing basis and have access to large amounts of information. They want to be evaluated, have feedback, and then they have a lot of focus on their development opportunities in the company and much more. There's a lot we have to live up to in order to be attractive."

The effort is noted

This has entailed, among other things, that FirstFarms Hungary has chosen to change the organisation and job descriptions so that young people, to a greater extent, can see themselves as part of the company. FirstFarms Hungary has also started both a scholarship program in collaboration with a university and a mentoring program in collaboration with an agricultural college.

"It is still too early to say whether our efforts are a success, but it looks good, and one of the indications that we have succeeded in getting hold of the young people is that we are being noticed by other companies in the area. They want to know how we do it," says Szilvia Szekeres.

THE INVESTMENT CASE:
WE ARE WORTH INVESTING IN

- Leading the sector in terms of productivity and profitability, which is reflected in significant postive cash flows.
- One of Europe's few listed companies in agriculture and foodproducts with a solid experience in operation and development.
- Risk-balanced business model for both operation, geography, countries and asset classes, which enables us to scale and adapt our activities to market growth and demand.
- Organic and acqisitive growth driven by both efficiency improvements and continuous added value on real assets.
- Experienced management team.

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. Our goal is free cash flows of +75 mDKK annually.	
Capital allocation and dividen policy	Capital structur:	Repayment of net interest-bearing debt during periods, when the economic gearing is highter than the objective, which is net interest-bearing debt/EBITDA <6.
	Acquisitions and divestments:	Carefully selected acquisitions in accordance with Vision 2025. Divestments of fully developed land or activities. 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 0.5-1.0 DKK per share.
	Other shareholder return:	Cyclically robust real assets behind the investment.

THE GROUP'S RISK MANAGEMENT

FirstFarms

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 assessment 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 56. Furthermore, reference is made to the statutory report on corporate governance, which can be viewed or downloaded from the Group's website, cf. page 63.

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

IMPACT / PROBABILITY	Less likely	Possible	Like	Very likely
Critical				
High		7, 6, 11		1, 2
Moderate			3, 8	
Low	10	5	9, 4	

RISK ASSESSEMENT

STRATEGIC			
Risk	**Description**	**Impact**	**Mitigation/How we manage the risk**
1 Inflation, interests and exchange rates	Covid -19 and the war in Ukraine have triggered inflation, exchange rates and increasing interests.	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. 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.	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. 2. FirstFarms has hedged the interest through interest hedging agreements and loan with fixed interest.
2 Climate changes and ESG	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.	Different types of risks related to climate change mitigation and adaptation may have an impact on FirstFarms' growth and profitability: - Risk as extreme weather events and water stress. 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 quantity of crops produced or that specific 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, for which reason a lower quantity of milk is produced - Increased regulation and carbon taxation. - 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.	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. 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. 3. Crop rotation including the introduction of more drought-resistant varieties of crops and irrigation of crops. 4. Distribution of the production on several geographically distinct cultivation zones gives a certain risk balance. 5. Equip stables with climate neutral cooling systems for the animals.

RISK ASSESSMENT

STRATEGIC			
Risk	**Description**	**Impact**	**Mitigation/How we manage the risk**
3 Political development	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). FirstFarms applies for and has continuously received EU 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.	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. 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. 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; a Slovakian land fund that administrates land with unknown owners. 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.	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. 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. 3. In case the legislation is changed, FirstFarms expects to get a pre-emptive right to the rented land. 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.
4 Market development	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.	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). 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.	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. 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. 3. Circular production. 4. We follow the market very close with meetings every second week also with participation from people outside FirstFarms.
5 Acquisitions and divestments	Acquisitions and divestments are the main elements in FirstFarms' growth and portfolio.	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.	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. 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.

RISK ASSESSMENT

OPERATIONAL			
Risk	**Description**	**Impact**	**Mitigation/How we manage the risk**
6 Employees (develop-ment, health and safety)	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 operations consist of activities that could expose employees, sub-contractors and other individuals to the risk to their health and safety.	Several risks related to the workforce in the company could occur: 1. FirstFarms may have difficulties attracting a qualified workforce due to a potential low attractiveness of agricultural business and the general shortage of workforce. 2. If a health and safety accident occurs, it would entail significant legal liability and costs and might have an impact on FirstFarms' reputation.	1. Continuously improvement of the working conditions incl. investments in safety at the workplace, clear safety procedures and recurring Employee Satisfaction Survey. 2. Competencies development through training and education covered by implemented prodedures and policies. 3. Active collaboration with the local education institution to promote possibilities to work in the agricultural business at FirstFarms.
7 Disease and virus in crops and animals	Disease and viruses in crops or animlas make up potential risks for FirstFarms, as the company has a considerable livestock and a large crop production.	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.	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. 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. 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. 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 .

RISK ASSESSMENT

OPERATIONAL

Risk	Description	Impact	Mitigation/How we manage the risk
8 IT risk (Data, ERP systems and Cybersecurity)	FirstFarms daily operation depends on the IT systems working stable. There are significant risks of cyber-attacks, and the risk level continues to increase.	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.	1. Internal regulation that closely describes our procedures to avoid attacks. 2. We have a separation of functions which minises risk of fraud or mistakes in general. 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. 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.
9 Supply chain	Inflation, Covid-19 and war in Ukraine 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.	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.	1. The Group has a high level of self-sufficiency and circularity in the production. 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.

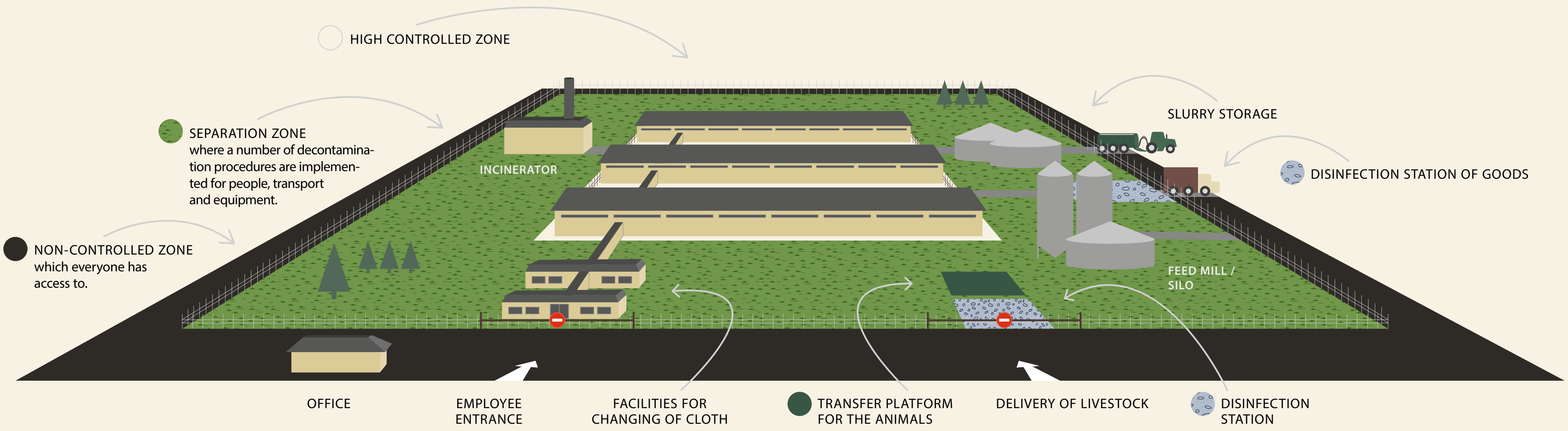
FINANCE AND COMPLIANCE

Risk	Description	Impact	Mitigation/How we manage the risk
10 Tax	FirstFarms works with cross border activities and is thus subject to transfer pricing rules according to OECD guidelines.	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.	1. The group has a written tax policy that generally forms the framework for our approach. 2. The group has full transfer pricing documentation prepared with support from advisers.
11 Legislation	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.	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.	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.

"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 KNUDSGAARD, COO

3 ZONE BIOSECURITY MODEL



PREVENTIVE INITIATIVES:
- steps to control rodents and insects
- fences to keep wild boars and other animals out

FOCUS ON HIGH HYGIENE:
- thorough hand washing
- shower
- change of clothes and footwear at a minimum of two times

MEASURES TO MINIMISE CONTAMINATION FROM HUMANS
- training in biosecurity
- high requirements for personal hygiene
- personal belongings are not allowed
- not allowed to bring own food
- quarantine requirements after travel or contact with livestock outside the farm

CORPORATE GOVERNANCE

FirstFarms

SHAREHOLDER INFORMATION

Basic data

Stock exchange	Nasdaq Copenhagen A/S
Index	SmallCap
Sector	Consume staples
ISIN code	DK0060056166
Short name	FFARMS
Share capital	94,602,770 DKK
Nominal denomination	10 DKK
Number of shares	9,460,277
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 94,602,770 DKK.

Shareholders	Number of shares (pcs.)	Capital (%)
Henrik Hougaard	2,059,423	21.8
Bendt Wedell	1,320,829	14.0
Olav W. Hansen	1,109,636	11.7
Other registered shareholders	4,521,026	47.8
Non-registered shareholders	449,363	4.8
Own shares	0	0.0
Total	**9,460,277**	**100.0**

Shareholder composition

As per 31 December 2022, FirstFarms had 2,668 shareholders.
The majority is Danish investors, whereas 61 shareholders are registered outside Denmark.
As per 31 December 2022, the name register share in the company's owner book was 95.25%.
3 shareholders own more than 5% of the share capital.

SHAREHOLDINGS AND CONVERTIBLE BONDS
– FOR BOARD OF DIRECTORS AND MANAGEMENT

Name	No. of shares (pcs.)
Henrik Hougaard	2,059,423
Bendt Wedell	1,320,829
Claus Ewers	197,758
Asbjørn Børsting	28,844
Jens Bolding Jensen	10,097
Karina Boldsen	2,899
Anders H. Nørgaard	121,436

As per 31 December 2022, the Board of Directors and Management of FirstFarms A/S held, direct or indirect, nominally 3,741,286 shares, corresponding to 39.5%.

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	1,000,000DKK
CEO Anders H. Nørgaard		750,000 DKK

Furthermore, Board of Directors and Management in FirstFarms A/S, or closely related to, has per 31. december 2022 the convertible bonds shown in the table to the left. Reference is made to note 22 for information about convertible bonds.

COMPANY ANNOUNCEMENTS FROM FIRSTFARMS A/S

Date	No.	Announcement
Published company announcements in 2022		
24 February 2022	1	FirstFarms A/S: Significant expansion of the pig production in Hungary
4 March 2022	2	FirstFarms A/S meet the top of expecations for 2021
23 March 2022	3	Annual report 2021 for FirstFarms A/S
24 March 2022	4	FirstFarms A/S rewards great effort behind historically good result
31 March 2022	5	Report on insiders trade with FirstFarms A/S' shares
31 March 2022	6	Notice to convene the annuale general meeting i FirstFarms A/S
13 April 2022	7	Report on insiders trade with FirstFarms A/S' shares
21 April 2022	8	Capital increase at conversion of bonds to shares
25 April 2022	9	FirstFarms A/S' acquisition of land leases and crop production in Hungary
26 April 2022	10	Progress of annual general meeting in FirstFarms A/S
31 May 2022	11	FirstFarms A/S' interim financial report for 1 January – 31 March 2022
8 June 2022	12	Report on insiders trade with FirstFarms A/S' shares
14 July 2022	13	FirstFarms A/S acquires shares in Agri Invest A/S
20 July 2022	14	FirstFarms A/S: Acquisition of company in Hungary is now finalised
24 August 2022	15	Interim financial report for 1 January – 30 June 2022 for FirstFarms A/S
1 September 2022	16	Result of conversion of bonds to shares

Date	Nor.	Announcement
Published company announcements in 2022		
1 September 2022	17	Correction of conversion price in company announcement no. 16/2022
15 September 2022	18	Report on insiders trade with FirstFarms A/S' shares
19 September 2022	19	Report on insiders trade with FirstFarms A/S' shares
20 September 2022	20	FirstFarms A/S: Major shareholder announcement Henrik Hougaard
30 October 2022	21	Capital increase at conversion of bonds to shares
5 October 2022	22	Major shareholder announcement – Henrik Hougaard
12 October 2022	23	Major shareholder announcement – AIC A/S
2 November 2022	24	FirstFarms A/S adjusts upwards the expectations to the year's result
23 November 2022	25	Interim financial report 1 January -30 September 2022
30 November 2022	26	Report on insiders trade with FirstFarms A/S' shares
2 December 2022	27	Financial calendar 2023 for FirstFarms A/S
15 December 2022	28	Report on insiders trade with FirstFarms A/S' shares
15 December 2022	29	Report on insiders trade with FirstFarms A/S' shares
16 December 2022	30	Capital increase by issuing shares for utilisation of warrants
20 December 2022	31	Major shareholder announcement – Bendt Wedell
21 December 2022	32	Report on insiders trade with FirstFarms A/S' shares

COMPANY ANNOUNCEMENT FROM FIRSTFARMS A/S

Date	No.	Announcement
Published company announcements in 2023		
23 January 2023	1	FirstFarms A/S adjusts upwards and clarifies the expectations to the year's result
24 March 2023	2	Annual report for 2022

Date	No.	Announcement
Expected company announcements 2023		
25 April 2023		Annual general meeting
17 May 2023		Interim financial report 1 January - 31 Marts 2023
30 August 2023		Interim financial report 1 January - 30 June 2023
29 November 2023		Interim financial report 1 January - 30 September 2023

Share price development 2022

As per 1 January 2022, the share price was 71.60, and the FirstFarms share closed at price 77.20 at 30 December 2022. At the end of the year, the market value was 730 mDKK (2021: 563 mDKK), and the share price increased by 7.82%, whereas the Danish smallcap-index, which the FirstFarms share is part of, in the same period decreased by 7.37%. In 2022, the average share turnover was 316,562 DKK per business day (2021: 294,895 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).

ANNUAL GENERAL MEETING AND **FINANCIAL CALENDAR**

FirstFarms' annual general meeting is held Tuesday 25 April 2023 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.

FirstFarms' IR policy can be found here:
www.firstfarms.dk/en/about-us/our-policies

24 March 2023	Annual report 2022
25 April 2023	Annual general meeting
17 May 2023	Interim financial report 1 January - 31 March 2023
30 August 2023	Interim financial report 1 January - 30 June 2023
29 November 2023	Interim financial report 1 January - 30 September 2023

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 58-61.

The Board of Directors in FirstFarms has held eight board meetings in 2022.

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 2023, 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 2023, 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.

Four audit committee meetings were held in 2022.

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.

Three remuneration and nomination committee meetings were held in 2022.

HENRIK HOUGAARD
CHAIRMAN OF THE BOARD OF DIRECTORS

Member of the audit committe and the remuneration and nomination committee

Born 1958 (m) – Entered 2004 – 2,059,423 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 world-wide
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 – 28,844 shares
Independent with respect to the recommendations

MANAGEMENT FUNCTIONS
DAKOFO-Dansk Korn og Foder
Danske Sortsejere

BOARD FUNCTIONS
Den Europæiske Foderorganisation (FEFAC) (*CH*)
Det Nationale Bioøkonomipanel (*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 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 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: 88% Committee meetings: 100%

KARINA BOLDSEN
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)* Campfire & Co. *(CH)* DKPU *(CH)* Aalbæk Badehotel *(CH)* Property Advice *(CH)* Himmerlandskød A/S Invita Randers A/S *(CH)* FUMAC A/S and others
COMPETENCES	Strategy, development of organisation, management and HR Digitalisation and business development External communication and branding Crisis management
ATTENDANCE	Board meetings: 100%

BENDT WEDELL
BOARD MEMBER

Born 1975 (m) – Entered 2020 – 1,320,829 shares
Independent with respect to the recommendations

MANAGEMENT FUNCTIONS	Wefri A/S VICUS Invest ApS Weko Equity A/S Nitra ApS Frijs ApS and others
BOARD FUNCTIONS	Jera Capital A/S (*CH*) AIC A/S (*CH*) Lensgreve 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: 88%

CLAUS EWERS
BOARD MEMBER

Born 1962 (m) – Entered 2022 – 197,758 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*) Scandinavian Farms Pig Industries Fortin Madrejon Eegholm 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 – 121,436 shares - Warrants: 100,000 pcs.

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


FirstFarms

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/2023-annual-report-2022

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/2023-annual-report-2022

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

The company's report of corporate social responsibility contains a statutory report of the underrepresented gender and diversity and can be downloaded from the Group's website:
www.firstfarms.dk/en/investor-relations/corporate-social-responsibility/2023-annual-report-2022/

FirstFarms' diversity and inclusion policy can be downloaded from the Group's website:
www.firstfarms.dk/en/about-us/our-policies

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

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

FINANCIAL **REPORTING**

MANAGEMENT STATEMENT

Today the Board of Directors and the Management have discussed and approved the annual report for 2022 of FirstFarms A/S.

The annual report has been reported in accordance with International Financial Reporting 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 2022 and of the result of the Group's and parent company's activities and cash flows for the financial year 1 January – 31 December 2022.

It is our opinion that the annual report for the financial year 1 January 2022 - 31 December 2022, with the file name firstfarms-2022-12-31-da.zip, has been prepared in all material respects in accordance with the ESEF regulation.

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.

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

Billund, 24 March 2023

Management

Anders H. Nørgaard
CEO

Board of Directors

Henrik Hougaard Chairman	Asbjørn Børsting Vice chairman
Jens Bolding Jensen	Karina Boldsen
Bendt Wedell	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 assets, liabilities and financial position at 31 December 2022 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 2022 in accordance with International Financial Reporting 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 2022 comprise income statement and total income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies 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 International 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 6 years including the financial year 2022.

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 2022. 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 133.6 mDKK as per 31 December 2022 (2021: 105.6 mDKK).

The fair value is based on known transactions and the general pricing in the market as well as an estimate of the biological transfor mation 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 International Financial Reporting 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 effectiveness of the Group's and the Parent Company's internal control.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

- 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 performance 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-2022-12-31-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.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

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 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 2022 with the file name firstfarms-2022-12-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Herning, 24 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jens Weiersøe Jakobsen
State Authorised Public Accountant
mne30152

Hans Jørgen Andersen
State Authorised Public Accountant
mne30211

INCOME- AND TOTAL INCOME STATEMENT

INCOME STATEMENT tDKK	**Note**	**Group** **2022**	**Group** **2021**	**Parent company** **2022**	**Parent company** **2021**
Net turnover	3,4	418,389	369,483	9,492	10,151
Production subsidies	9	71,562	53,436	0	0
Other operating income	10	3,904	27,279	335	5,736
Value adjustment of biological assets	5	47,138	6,008	0	0
Total income		**540,993**	**456,206**	**9,827**	**15,887**
Cost of sales	6	-233,359	-197,604	0	0
Other external costs		-80,750	-74,393	-5,729	-4,930
Gross profit/loss		**226,884**	**184,209**	**4,098**	**10,957**
Staff costs	7	-80,263	-70,531	-10,978	-9,548
Earnings before interest, tax and depreciations (EBITDA)	8	**146,621**	**113,678**	**-6,880**	**1,409**
Depreciations		-50,687	-43,746	-105	-48
Earnings before interest and tax (EBIT)	17	**95,934**	**69,932**	**-6,985**	**1,361**
Share of profit after tax in subsidiaries	11	0	0	63,921	41,235
Financial income	12	7,044	2,327	17,314	6,909
Financial costs		-19,409	-26,345	-8,784	-14,750
Pre-tax result	13	**83,569**	**45,914**	**65,466**	**34,755**
Tax on net profit		-18,103	-11,159	0	0
Net profit		**65,466**	**34,755**	**65,466**	**34,755**
	14				
Earnings per share	14	7.56	4.51	-	-
Diluted earnings per share		6.60	4.06	-	-

TOTAL INCOME STATEMENT tDKK	**Group** **2022**	**Group** **2021**	**Parent company** **2022**	**Parent company** **2021**
Net profit	65,466	34,755	65,466	34,755
Other total income				
Items that can be reclassified to the income statement:				
- Exchange rate adjustments by conversion of foreign units	-725	-139	-725	-139
Hedging instruments				
- Value adjustment of the year	8,646	1,526	8,646	1,526
- Value adjustment reclassified to financial items	-435	962	-435	962
- Tax of other total income	-1,519	-821	-1,519	-821
Other total income after tax	**5,967**	**1,528**	**5,967**	**1,528**
Total income	**71,433**	**36,283**	**71,433**	**36,283**

BALANCE SHEET
ASSETS

BALANCE tDKK	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		16,083	16,083	0	0
Total intangible assets	15	**16,083**	**16,083**	0	**0**
Tangible assets					
Land		465,506	436,474	0	0
Buildings		212,734	208,393	0	0
Plants and machinery		125,469	87,417	0	0
Fixtures and fittings, tools and equipment		11,922	5,505	196	266
Assets under construction and prepayments		142,705	37,488	0	0
Total tangible assets	16	**958,336**	**775,277**	**196**	**266**
Biological assets					
Basic herd		47,792	40,944	0	0
Total biological assets	5	**47,792**	**40,944**	**0**	**0**
Other non-current assets					
Investments in subsidiaries	17	0	0	499,202	429,314
Amount owed by affiliated companies	19	0	0	307,413	223,056
Other capital shares		24,197	0	24,197	
Deferred tax asset	20	2,255	2,398	0	0
Total other non-current assets		**26,452**	**2,398**	**830,812**	**652,370**
Total non-current assets		**1,048,663**	**834,702**	**831,008**	**652,636**
Current assets					
Inventories	18	124,978	83,560	0	0
Biological assets - breeding and crops	5	84,482	64,611	0	0
Amount owed by affiliated companies	19	0	0	17,524	16,562
Receivables from sale	19	26,140	20,946	0	0
Other receivables	9,19	33,132	14,896	3,128	312
Accruals and deferred expenses		2,232	2,359	0	0
Cash at bank and in hand		21,860	77,467	0	46,790
Total current assets		**292,824**	**263,839**	**20,652**	**63,664**
TOTAL ASSETS		**1,341,487**	**1,098,541**	**851,660**	**716,300**

FirstFarms

BALANCE SHEET
EQUITY AND LIABILITIES

BALANCE tDKK	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
EQUITY AND LIABILITIES					
Equity					
Share capital	20	94,603	78,610	94,603	78,610
Reserve for exchange rate adjustment		-38,333	-37,608	0	0
Reserve for cash flow hedge		5,271	-1,421	0	0
Transferred result		612,533	483,870	579,471	444,841
Proposed dividend		8,987	6,682	8,987	6,682
Total equity		**683,061**	**530,133**	**683,061**	**530,133**
Liabilities					
Non-current liabilities					
Deferred tax	21	40,911	31,846	0	0
Debt for affiliated companies		0	0	28,301	26,089
Credit institutions	23	327,815	246,931	55,774	151
Convertible bonds	22	0	22,855	0	22,855
Other debts		13,229	26,083	9,240	23,589
Accruals and deferred income	9	22,391	8,838	0	0
Total non-current liabilities		**404,346**	**336,553**	**93,315**	**72,684**
Current liabilities					
Credit institutions	23	149,850	76,189	27,340	43
Convertible bonds	22	22,351	84,368	22,351	84,368
Trade payables and other payables	24	74,437	67,690	25,593	29,072
Corporation tax	25	4,819	766	0	0
Accruals and deferred income	9	2,623	2,842	0	0
Total current liabilities		**254,080**	**231,855**	**75,284**	**113,483**
Total liabilities		**658,426**	**568,408**	**168,599**	**186,167**
PASSIVER I ALT		**1,341,487**	**1,098,541**	**851,660**	**716,300**

Accounting policies	1
Accounting estimates	2
Contingent liabilities, contingent assets and securities	26
Fee for auditors appointed at the general meeting	27
Change in working capital	28
Non-cash transactions	29
Financial assets and liabilities	30
Risk assessment	31
Related parties	32
Subsequent events	33
New accounting regulation	34

EQUITY STATEMENT GROUP

EQUITY STATEMENT GROUP tDKK	Share capital	Reserve for exchange rate adjustment	Reserve for hedging transactions	Transferred result	Proposed dividend	Total
Equity 1 January 2021	**75,666**	**-37,469**	**-3,088**	**442,693**	**5,675**	**483,477**
Total income 2021						
Net profit	0	0	**0**	28,073	6,682	34,755
Other total income						
Exchange rate adjustments	0	-139	**0**	0	0	-139
Adjustment of hedging instrument	0	0	2,488	0	0	2,488
Tax of other total income	0	0	-821	0	0	-821
Other total income	**0**	**-139**	**1,667**	**0**	**0**	**1,528**
Total income of the year	**0**	**-139**	**1,667**	**28,073**	**6,682**	**36,283**
Transactions with owners						
Proposed dividend	0	0	0	0	-5,675	-5,675
Acquisition of company	500	0	0	2,930	0	3,430
Utilisation of warrants	2,444	0	0	9,799	0	12,243
Share-based remuneration	0	0	0	375	0	375
Total transactions with owners	**2,944**	**0**	**0**	**13,104**	**-5,675**	**10,373**
Equity 31 December 2021	**78,610**	**-37,608**	**-1,421**	**483,870**	**6,682**	**530,133**
Equity 1 January 2022	**78,610**	**-37,608**	**-1,421**	**483,870**	**6,682**	**530,133**
Total income 2022						
Net profit	0	0	0	56,479	8,987	65,466
Other total income						
Exchange rate adjustments	0	-725	0	0	0	-725
Adjustment of hedging instrument	0	0	8,211	0	0	8,211
Tax of other total income	0	0	-1,519	0	0	-1,519
Other total income	**0**	**-725**	**6,692**	**0**	**0**	**5,967**
Total income of the year	**0**	**-725**	**6,692**	**56,479**	**8,987**	**71,433**
Transactions with owners						
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		2,631	0	3,311
Share-based remuneration	0	0	0	842	0	842
Total transactions with owners	**15,993**	**0**	**0**	**72,184**	**-6,682**	**81,495**
Equity 31 December 2022	**94,603**	**-38,333**	**5,721**	**612,532**	**0**	**683,061**

EQUITY STATEMENT PARENT COMPANY tDKK	**Share capital**	**Net revaluation according to the equity method**	**Transferred result**	**Proposed dividend**	**Total**
Equity 1 January 2021	**75,666**	**0**	**402,136**	**5,675**	**483,477**
Total income 2021					
Net profit	0	0	28,073	6,682	34,755
Other total income					
Exchange rate adjustments of subsidiaries	0	0	-139	0	-139
Other total income	0	0	2,488	0	2,488
Tax of other total income	0	0	-821	0	-821
Other total income	**0**	**0**	**1,528**	**0**	**1,528**
Total income of the year	**0**	**0**	**29,601**	**6,682**	**36,283**
Transactions with owners					
Proposed dividend	0	0	0	-5,675	-5,675
Acquisition of company by issuance of shares	500	0	2,930	0	3,430
Conversion of convertible bonds	2,444	0	9,799	0	12,243
Share-based remuneration	0	0	375	0	375
Total transactions with owners	**2,944**	**0**	**13,104**	**-5,675**	**10,373**
Equity 31 December 2021	**78,610**	**0**	**444,841**	**6,682**	**530,133**
Equity 1 January 2022	**78,610**	**0**	**444,841**	**6,682**	**530,133**
Total income 2022					
Net profit	0	63,291	-7,742	8,987	65,466
Transfer	0	-36,887	36,887	0	0
Other total income					
Exchange rate adjustments of subsidiaries	0	-725	0	0	-725
Adjustment of hedging instrument	0	8,211	0	0	8,211
Tax of other total income	0	-1,519	0	0	-1,519
Other total income	**0**	**5,967**	**0**	**0**	5,967
Total income of the year	**0**	**33,001**	**62,446**	**8,987**	**71,433**
Transactions with owners					
Proposed dividend	0	0	-271	-6,682	-6,953
Conversion of convertible bonds	15,313	0	68,982	0	84,295
Utilisation of warrants	680	0	2,631	0	3,311
Share-based remuneration	0	0	842	0	842
Total transactions with owners	**15,993**	**0**	**72,184**	**-6,682**	**81,495**
Equity 31 December 2022	**94,603**	**33,001**	**579,471**	**8,987**	**683,061**

CASH FLOW MANAGEMENT tDKK	**Note**	**Group 2022**	**Group 2021**	**Parent company 2022**	**Parent company 2021**
Pre-tax result (In the parent company ex. result of subsidiaries)		83,569	45,914	1,545	-6,480
Adjustments for non-monetary operating items etc.:					
Depreciation/amortisation	8	50,687	43,746	105	48
Reversal of profit, sale of non-current assets and badwill	10	-953	-26,456	0	-5,736
Value adjustment of biological assets	5	-47,138	-6,008	0	0
Financial income	11	-7,044	-2,327	-17,314	-6,909
Financial costs	12	19,409	26,345	8,784	14,750
Share-based remuneration		842	375	842	375
Cash flow generated from operation before change in working capital		**99,372**	**81,589**	**-6,038**	**-3,952**
Change in working capital	28	-9,679	-3,887	-7,257	-6,582
Cash flow from main activities		**89,693**	**77,702**	**-13,295**	**-10,534**
Interest received		7,044	2,327	17,314	6,909
Interest paid		-19,236	-26,345	-8,611	-14,581
Paid corporation tax	25	-7,685	-7,412	0	0
Cash flow from operating activities		**69,816**	**46,272**	**-4,592**	**-18,206**
Addition at acquisition of company	17	-27,168	0	0	0
Acquitions of financial fixed assets		-24,197	0	-24,197	0
Sale of company		0	102,944	0	103,234
Disposal of material assets, paid	29	6,418	61,068	210	70
Acquisition of tangible assets		-200,427	-54,339	-245	0
Cash flow from investing activities		**-245,374**	**109,673**	**-24,232**	**103,304**
Paid dividend		-6,953	-5,675	-6,953	-5,675
Utilisation of warrants		3,311	0	3,311	0
Conversion of convertible bonds	29	-750	0	-750	0
Proceeds from loans	23	179,244	38,460	83,864	0
Loan repayment	23	-40,553	-93,076	-944	-9,014
Proceeds from/repayment of other debts		-14,349	-25,940	-14,349	-13,515
Loan to affiliated businesses		0	0	-82,145	-10,234
Cash flow from financing activities		**119,950**	**-86,231**	**-17,966**	**-38,438**
Cash flow of the year		**-55,608**	**69,714**	**-46,790**	**46,660**
Available, at the beginning		77,467	7,753	**46,790**	130
Exchange rate adjustment of available		0	0	0	0
Available, at closing		**21,859**	**77,467**	0	**46,790**

2022
With the acquisition of Try-Béta Kft., 408 tDKK was provided in cash and cash equivalent. The amount is offset in the addition at acquistion 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 2022 comprises both the consolidated financial statement of FirstFarms A/S and its subsidiaries for the period 1 January – 31 December 2022 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 FirstFrams A/S has contro 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 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 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.

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 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 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 pro-ducts, is recognised in the income statement, when the control is passed on to the buyer at delivery ab 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 write-downs 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 profit-making 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 recognized 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 underbalance 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 FirstFarms 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-flow-generating 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 les 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 long-term 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 133.6 mDKK as per 31 December 2022 (2021: 105.6 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 recognised 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.

3. SEGMENT INFORMATION 2022 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Others/ Non-allocated	Intercompany elimination	Total
Total segment turnover	**39,899**	**255,772**	**45,995**	**88,824**	**9,492**	**-21,687**	**401,257**
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
EBITDA	**15,678**	**101,058**	**8,296**	**28,470**	**-6,881**	**0**	146,621
Depreciations	-8,860	-34,260	-3,420	-4,042	-105	0	-50,687
EBIT	**6,818**	**66,798**	**4,876**	**24,428**	**-6,986**	**0**	**95,934**
Financial income	126	1,386	3,366	1,462	17,314	-13,351	10,303
Financial costs	-6,020	-10,158	-8,770	-2,287	-8,784	13,351	-22,668
Result before tax	924	58,026	-528	23,603	1,544	0	83,569
Assets	**222,478**	**675,713**	**272,874**	**191,897**	**352,448**	**-373,923**	**1,341,487**
Non-current assets	188,506	478,506	229,076	147,596	331,796	-326,817	1,048,663
Investments *)	31,610	36,995	133,908	4,522	245	0	207,280
Liabilities	133,200	394,325	266,960	69,274	168,587	-373,920	658,426

3. SEGMENT INFORMATION 2021 tDKK	Romanian activities	Slovakian activities	Hungarian activities	Czech activities	Others/ Non-allocated	Intercompany elimination	Total
Total segment turnover	**81,556**	**190,873**	**32,593**	**75,243**	**10,151**	**-20,933**	**369,483**
Production subsidies	10,082	34,820	1,956	6,578	0	0	53,436
Value adjustment of biological assets	1,609	4,321	-1,075	1,153	0	0	6,008
EBITDA	**52,411**	**50,927**	**-5,551**	**14,480**	**1,411**	**0**	**113,678**
Depreciations	-7,796	-29,408	-2,751	-3,745	-46	0	-43,746
EBIT	**44,615**	**21,519**	**-8,302**	**10,735**	**1,365**	**0**	**69,932**
Financial income	1,233	895	414	1,128	6,941	-8,284	2,327
Financial costs	-6,630	-8,448	-3,157	-1,611	-14,783	8,284	-26,345
Result before tax	39,218	13,966	-11,045	10,251	-6,476	0	45,914
Assets	**206,875**	**620,260**	**79,131**	**166,358**	**286,986**	**-261,069**	**1,098,541**
Non-current assets	169,569	479,731	69,994	134,158	239,883	-258,633	834,702
Investments *)	14,900	48,147	2,698	6,812	280	0	72,837
Liabilities	119,029	388,644	71,069	64,571	186,164	-261,069	568,408

*) 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 only operate with crop production. In Hungary, only within pig production and in the Czech Republic within pig and crop production.

The four business units are operated independently, as each unit has different management, activities and customers. The report compulsory segments are identified without aggregation of operation segments.

Products
FirstFarms' turnover primarily concerns milk, pigs and crops.
The turnover is specified:

tDKK	Romania 2022	Romania 2021	Slovakia 2022	Slovakia 2021	Hungary 2022	Hungary 2021	Czech Rep. 2022	Czech Rep. 2021
Milk	0	0	114,555	76,643	0	0	0	0
Cows and calves	0	0	12,564	8,898	0	0	0	0
Piglets and slaughter pigs	0	0	55,506	40,841	41,410	32,376	81,161	66,007
Crops	38,049	76,938	70,237	58,733	1,164	0	2,358	2,709
Other	1,850	4,618	2,910	5,773	3,421	217	5,305	6,527
Total	**39,899**	**81,556**	**255,772**	**190,873**	**45,995**	**32,593**	**88,824**	**75,243**

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 2022	Group 2021	Parent company 2022	Parent company 2021
Milk	114,555	76,643	0	0
Cows and calves	12,564	8,898	0	0
Piglets and slaughter pigs	173,734	127,600	0	0
Crops	105,600	138,394	0	0
Other turnover	11,936	17,948	9,492	10,151
Total	**418,389**	**369,483**	**9,492**	**10,151**

Crops harvested in 2021 have been sold in 2022, and there are also crops, harvested in 2022, on stock at the end of 2022.

In 2022, 11% of the total group turnover is for one customer in Slovakia regarding sale of milk. (2021: No customers account for more than 10% of the total group turnover.).

5. VALUE ADJUSTMENT OF BIOLOGICAL ASSETS GROUP 2022 tDKK	Basic herd cows [1]	Breeding cows [2]	Basic herd pigs [1]	Sales herd pigs [2]	Crops	Total
Accounting value 1 January	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	30,318	47,138
Transfer	13,311	-13,311	1,309	-1,309	0	0
Disposal	-6,083	-5,600	-5,137	-176,625	-142,214	-335,659
Exchange rate adjustment	-2	1	-610	12	153	-449
Accounting value 31 December 2022	**34,210**	**15,209**	**13,582**	**32,650**	**36,623**	**132,274**
No. of animals	2,976	2,387	5,454	58,379	-	69,196
No. of hectares harvested	-	-	-	-	15,526	15,526
No. of hectares seeded in the autumn	-	-	-	-	10,016	10,016

5. VALUE ADJUSTMENT OF BIOLOGICAL ASSETS GROUP 2021 tDKK	Basic herd cows [1]	Breeding cows [2]	Basic herd pigs [1]	Sales herd pigs [2]	Crops	Total
Accounting value 1 January	27,614	19,415	12,120	17,296	27,882	104,327
Addition, purchase of company						
Addition	0	0	0	0	0	0
Value adjustment of the year recognised in the	0	11,036	3,535	125,937	106,137	246,645
income statement	-5,534	5,889	-331	-2,896	8,880	6,008
Transfer	12,694	-12,694	335	-335	0	0
Disposal	-4,462	-6,254	-4,909	-123,993	-112,056	-251,674
Exchange rate adjustment	-7	-9	-111	365	11	249
Accounting value 31 December 2021	**30,305**	**17,383**	**10,639**	**16,374**	**30,854**	**105,555**
No. of animals	2,850	2,690	5,799	59,736	-	71,075
No. of hectares harvested	-	-	-	-	15,935	15,935
No. of hectares seeded in the autumn	-	-	-	-	10,629	10,629

[1] *Non-current assets* [2] *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 estimated on basis of the cost price attributed changes due to the biological transformation, from the time of seeding to 31 December 2021. As the biological transformation

Crops seeded in the autumn are limited, the fair value corresponds in all essential to the costs incurred for seeding, etc.

Changes in non-observable 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.

6. COST OF SALES tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Cost of sales for the period	233,359	197,604	0	0
Reversed write-down on inventories	0	0	0	0

At transition, in connection with harvest, the stock of crops is valuated at market value less point-of-sale costs. By a subsequent decrease in the value, the amount is credited in production cost of sales.

7. STAFF COSTS tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Fees to the Board of Directors in the parent company	746	686	746	686
Wages and salaries	59,677	52,718	7,854	7,518
Share-based remuneration	842	375	842	375
Defined contribution plans	1,216	492	1,216	492
Other social security costs	15,812	12,620	70	52
Other staff costs	1,970	3,640	251	425
Total staff costs	**80,263**	**70,531**	**10,979**	**9,548**
Average number of employees	328	318	7	7

At the end of the year, the number of employees was 359, of which 8 are employed at the headquater in Denmark, 211 in Slovakia, 55 in Romania, 59 in Hungary and 26 in the Czech Republic

Remuneration of Key Management tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Wages and salaries	7,476	6,603	5,271	4,576
Defined contribution plans	1,018	685	1,018	680
Share-based remuneration	683	355	598	290
Total	**9,177**	**7,643**	**6,887**	**5,546**

Wages and salaries and defined contribution plans are short-term employee benefits.

Executive Board remuneration of the parent company tDKK	2022 Board of Directors	2022 Management	2021 Board of Directors	2021 Management
Wages and salaries	747	2,961	680	2,378
Defined contribution plans	0	153	0	204
Share-based remuneration	0	354	0	143
Total	**747**	**3,468**	**680**	**2,725**

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

Warrant program 2022 Number of warrants	Management	Other employees	Total	Utilisation price	Fair value per option, DKK	Fair value in total (DKK)	Expiration
Allotted 1 January 2022							
Type 4	40,000	0	40,000	56.12	5.80	232	Q1 2024
Type 5	10,000	52,000	62,000	55.76	13.79	855	Q1 2024
Type 6	0	10,000	10,000	67.40	8.10	81	Q1 2024
Type 7 (allotted during the year)	50,000	58,000	108,000	68.82	25.57	2,762	Q1 2026
Allotted 31 December 2022	**100,000**	**120,000**	**220,000**			**3,930**	

Warrantprogram 2021 Number of warrants	Management	Other employees	Total	Utilisation price	Fair value per option, DKK	Fair value in total (DKK)	Expiration
Allotted 1 January 2021							
Type 3	50,000	20,000	70,000	48.71	3.77	264	Q3 2022
Type 4	40,000	0	40,000	56.12	5.80	232	Q1 2024
Type 5	10,000	52,000	62,000	55.76	13.79	855	Q1 2024
Type 6 (allotted during the year)	0	10,000	10,000	67.40	8.10	81	Q1 2024
Allotted 31 December 2021	**100,000**	**82,000**	**182,000**			**1,432**	

In 2022, 108,000 warrants are allotted (2021: 10.000 warrants). Each warrant gives the warrant owner right to purchase one share of nominal 10 DKK. In 2022, 68,000 warrants are utilised (2021: No warrants were utilised). The fair value of warrants allotted in 2022 is calculated based on the Black-Scholes model with a volatility of 15%, a risk-free interest of 0.0% per year, dividend of 0.7 DKK and a share pris of 95.6 at the time of allotment.

The volatility is calculated based on the development in the share price 2.5 years before issuance.

The outstanding warrants correspond to 2.3% of the share capital, (2021: 2.2%), if all warrants are utilised. None of the outstanding warrants can be utilised on the balance sheet day.

Warrants can be utilised in a period of 4 weeks from the 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.

8. DEPRECIATIONS tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Depreciations, intangible assets	0	0	0	0
Depreciations, tangible assets	50,687	43,746	105	48
Impairments, tangible assets	0	0	0	0
Total depreciations	**50,687**	**43,746**	**105**	**48**

9. PRODUCTION SUBSIDIES tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Hectare subsidy	28,431	28,182	0	0
Investment subsidy	1,604	2,202	0	0
Cattle subsidy	10,391	8,074	0	0
Various pig subsidies	14,173	9,243	0	0
Government subsidy	16,963	5,734	0	0
Total	**71,562**	**53,435**	**0**	**0**

Investment subsidy can be applied for from the EU. Investment subsidies are given under the condition that the assets are kept in the company for at least 5 years. Otherwise, there are no specific conditions attached to the subsidies.

The subsidy is credited concurrently as the assets are depreciated. The hectare subsidy is a yearly subsidy, which is given to agricultural areas etc. The cattle subsidy is a subsidy to milk production.

Furthermore, there are some old subsidies from the Slovakian government, which are also credited concurrently as the assets are depreciated.

Various subsidies are also provided to pig production. In 2022, the subsidies are increased for the pig production in Slovakia and Hungary.

In 2022, government subsidies for drought in Slovakia and Romania totalled 8.8 mDKK.

Subsidies form an essential part of the accruals and other receivables. The following are the various subsidy schemes and their recognition.

2022 tDKK	Hectare subsidy	Cattle subsidy	Pig subsidy	Government subsidy	Investment subsidy etc.	Total
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

2021 tDKK	Hectare subsidy	Cattle subsidy	Pig subsidy	Government subsidy	Investment subsidy etc.	Total
Subsidy calculated in accruals	0	0	0	0	11,680	11,680
Period of crediting	Continuously	Continuously	Continuously	Continuously	Concurrently as the asset is depreciated	-
Subsidy calculated in ”Other receivables”	5,712	2,804	178	0	0	8,694

10. OTHER OPERATING INCOME tDKK	**Group** **2022**	**Group** **2021**	**Parent company** **2022**	**Parent company** **2021**
Profit from sale of tangible assets	953	20,720	0	0
Profit on sale of company	0	5,736	0	5,736
Other secondary income	2,951	823	335	0
Total	**3,904**	**27,279**	**335**	**5,736**

Profit from the sale of tangible fixed assets in 2021 consists mainly of profit from the sale of 538 hectares of land in West Romania.

At the end of 2021, AISM srl. was divested and profit from the sale of the company consists primarily of the gain from this sale.

11. FINANCIAL INCOME tDKK	**Group** **2022**	**Group** **2021**	**Parent company** **2022**	**Parent company** **2021**
Interest, cash at bank and in hand	112	5	0	0
Interest income from affiliated companies	0	0	10,842	6,909
Other financial income	6,932	2,322	6,472	0
Total	**7,044**	**2,327**	**17,314**	**6,909**

Of the total financial income, 4.2 mDKK (2021: 0.0 mDKK) is not attributable to receivables/liabilities at amortised cost price.

12. FINANCIAL COSTS tDKK	**Group** **2022**	**Group** **2021**	**Parent company** **2022**	**Parent company** **2021**
Interest, bank loans	9,731	8,453	644	312
Interest cost form affiliated companies	0	0	1,562	1,040
Interest, convertible bonds	4,040	6,094	4,040	6,094
Other financial costs	5,638	11,798	2,538	7,304
Total	**19,409**	**26,345**	**8,784**	**14,750**

Of the total financial costs, 0.0 mDKK (2021: 5.5 mDKK) is not attributable to obligations at amortised cost price.

13. TAX ON NET PROFIT/LOSS tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Tax on net profit/loss	-18,103	-11,159	0	0
Tax on other total income	-1,519	-821	0	0
Total	**-19,622**	**-11,980**	**0**	**0**
Tax on net profit/loss is specified as::				
Current tax	-11,680	-8,178	0	0
Deferred tax	-7,942	-3,802	0	0
Total	**-19,622**	**-11,980**	**0**	**0**
Tax on net profit/loss can be explained as:				
Calcuated tax on net profit loss before tax (22 %)				
(In parent company ex. capital shares)	-18,385	-10,101	-340	1,426
Difference in tax rates	110	0	0	0
Write down / unrecognised tax assets	77	-1,426	340	-1,426
Other adjustments, net	95	368	0	0
Total	**-18,103**	**-11,159**	**0**	**0**
Effective tax rate	22	24	0	0

14. EARNINGS PER SHARE tDKK	Parent company 2022	Parent company 2021
Net profit	65,466	34,755
Interest at coversion of bonds	4,040	6,094
Profit of the year for caluclating earnings per share (EPS-D)	69,506	40,849
Number of shares	9,460,277	7,860,953
Average diluted effect of outstanding warrants and convertible bonds	719,141	2,212,483
Diluted number of shares in circulation	10,179,418	10,073,436
Earnings per share (EPS)	7.56	4.51
Diluted earnings per share (EPS-D)	6.60	4.06

15. INTANGIBLE ASSETS tDKK	**Goodwill** **2022**	**Goodwill** **2021**
Cost price 1 January	16,083	16,083
Addition	0	0
Disposal	0	0
Exchange rate adjustment	0	0
Cost price 31 December	**16,083**	**16,083**
Depreciations and impairments 1 January	0	0
Depreciations	0	0
Disposal	0	0
Exchange rate adjustment	0	0
Depreciations and impairments 31 December	0	0
Accounting value 31 December	**16,083**	**16,083**

Goodwill relates to the activities in Slovakia. Impairment tests have been carried out as per 31 December 2022 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 2023-2027.

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% (2021: 1.5%) have been incorporated. The impairment test used a WACC of 8.6% after tax (2021: 6.6%) – corresponding to a WACC before tax of 10.4% (2021: 7.9%).

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.

16. TANGIBLE ASSETS - GROUP 2022 tDKK	Land	Buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Construction work under execution and prepayments	Total
Cost price 1 January 2022	454,604	318,538	206,333	10,734	37,488	1,027,697
Addition at acquisition of company	8,000	10,781	8,799	3,970	0	31,550
Addition	28,761	17,365	8,444	3,909	154,919	213,398
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	-3,782	-6,902
Cost price 31 December 2022	**491,290**	**344,301**	**260,246**	**18,037**	**142,705**	**1,256,579**
Depreciations and impairments 1 January 2022	-18,130	-110,145	-118,916	-5,229	0	-252,420
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	150	0	549
Depreciations and impairments 31 December 2022	**-25,784**	**-131,567**	**-134,777**	**-6,115**	**0**	**-298,243**
Accounting value 31 December 2022	**465,506**	**212,734**	**125,469**	**11,922**	**142,705**	**958,336**
Capitalised interest in the year	0	0	0	0	5,420	5,420
Capitalisation interest	-	-	-	-	8%	8%
- hereof assets held under finance lease	44,451	0	26,069	0	0	70,520
Depreciated over	*)	15-30 years	5-10 years	3-7 years	-	-
- depreciations on leased assets	6,883	0	6,684	0	0	13,567

*) 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 given in fixed assets. Furthermore, there is security in subsidies in Slovakia and Hungary.

Referring to note 23 for information on the leasing obligation on leased assets. Agreement has been entered about acquisition of tangible fixed assets of a total of 48.0 mDKK.

16. TANGIBLE ASSETS - GROUP 2021 tDKK	Land	Buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Construction work under execution and prepayments	Total
Cost price 1 January 2021	548,122	324,483	204,102	10,209	27,061	1,113,977
Disposal by sale of company	-93,402	-10,808	-2,155	-81	158	-106,288
Addition	15,785	5,796	26,026	1,192	24,038	72,837
Transfer between categories	580	1,731	6,490	0	-8,801	0
Disposal	-15,810	-3,346	-27,259	-775	-4,813	-52,003
Exchange rate adjustment	-671	682	-871	189	-155	-826
Cost price 31 December 2021	**454,604**	**318,538**	**206,333**	**10,734**	**37,488**	**1,027,697**
Depreciations and impairments 1 January 2021	-11,378	-97,112	-108,106	-4,527	0	-221,123
Disposal by sale of company	0	1,020	109	122	0	1,251
Depreciations	-6,752	-15,763	-20,011	-1,220	0	-43,746
Disposal	0	2,376	8,758	521	0	11,655
Exchange rate adjustment	0	-666	335	-125	0	-456
Depreciations and impairments 31 December 2021	**-18,130**	**-110,145**	**-118,916**	**-5,229**	**0**	**-252,420**
Accounting value 31 December 2021	**436,474**	**208,393**	**87,417**	**5,505**	**37,488**	**775,277**
- hereof assets held under finance lease	37,262	0	32,510	0	0	77,513
Depreciated over	*)	15-30 year	5-10 year	3-7 year	-	-
- depreciations on leased assets	5,981	0	7,118	0	0	14,895

*) 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 295.5 mDKK, security has been given in fixed assets. Furthermore, there is security in subsidies in Slovakia.

Referring to note 23 for information on the leasing obligation on leased assets.

16. TANGIBLE ASSETS – PARENT COMPANY
Othe plants, fixtures and fittings, tools and equipment

tDKK	**2022**	**2021**
Cost price 1 January	479	468
Addition	245	280
Disposal	-479	-269
Cost price 31 December	**245**	**479**
Depreciations and impairments 1 January	-213	-363
Depreciations	-105	-48
Disposal	269	198
Depreciaions and impairments 31 December	-49	**-213**
Accounting value 31 December	**196**	**266**
- assets held und finance lease	0	266
Depreciated over	3-7 years	3-7 years

17. INVESTMENTS IN SUBSIDIARIES

tDKK	**2022**	**2021**
Cost price 1 January	466,201	542,859
Addition in the year at acquisition of company	0	0
Disposal at sale of company	0	-76,658
Cost price 31 December	**466,201**	**466,201**
Value adjustment 1 January	-36,887	-58,899
Share of the result of the year	63,921	41,235
Exchange rate adjustments	-725	-139
Hedging instruments	6,692	1,667
Disposal at sale of company	0	-20,751
Value adjustment 31 December	**33,001**	**-36,887**
Accounting value 31 December	**499,202**	**429,314**

2022

FirstFarms A/S has, cp. Company announcement no. 14 of 20 July 2022, acquired the Hungary company 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 Try-Béta.

The acquisition price for the net assets in Try-Béta entailed a total of 27.1 mDKK.

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

Result before tax for Try-Béta for the recognized period is 0.0 mDKK. If the whole period had been recognised, the result before tax for Try-Béta would be 0.2 mDKK.
The result for Try-Béta 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 at bank and in hand	408
Deferred tax	-1,175
Other debt	-8,642
Interest bearing debt	-4,302
Net assets taken over	**27,576**
Total acquisition price	**27,576**
Goodwill / Badwill (-)	0

2021

FirstFarms has, as stated in company announcement no. 20 of 23 November 2021, divested the company AISM Srl. The sales price of the company is 103 mDKK, all of which have been received by the end of 2021.

Usual seller guarantees have been provided in connection with the disposal of AISM Srl. Transaction costs of 0.3 mDKK have been recognised in connection with the sale.

DIVESTED NET ASSETS tDKK	2021
Land	93,402
Buildings	9,788
Machines + other plants	1,847
Current assets	10,505
Deferred tax	-12,574
Other payables	-5,760
Divested net assets	**97,208**
Total sales prices after transaction costs	**102,944**
Profit on sale	**5,736**

Subsidiaries in FirstFarms A/S Name	Domicile
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
Obilná s.r.o.	Slovakia
FirstFarms s.r.l.	Romania
FirstFarms Agro East 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
Gabcikovo Cityland s.r.o.	Slovakia

All subsidiaries are 100% owned by the FirstFarms Group.

18. INVENTORIES tDKK	**Group** **2022**	**Group** **2021**	**Parent company** **2022**	**Parent company** **2021**
Raw materials and other materials	66,489	36,205	0	0
Manufactured goods and commodities, grain, fodder, etc.	58,489	47,355	0	0
Total	**139,933**	**83,560**	**0**	**0**
Accounting value of inventories included at fair value	51,917	47,296	0	0
Write-downs	0	0	0	0
Reversed write-downs	0	0	0	0

At transition, in connection with harvest, the crops on stock are valuated at fair value less point-of-sale costs. By a subsequent decrease in the value, the amount is recognised in the balance sheet under cost of sales.

19. RECEIVABLES tDKK	**Group** **2022**	**Group** **2021**	**Parent company** **2022**	**Parent company** **2021**
Receivables from sales	26,140	20,946	0	0
Other receivables	33,132	14,896	3,128	312
Receivables from affiliated companies	0	0	324,937	239,618
Total	**55,272**	**35,842**	**328,065**	**239,930**

In 2022 and 2021, there is taken out debtor insurance for the most significant part (approx. 80-90 percent) of the company's receivables from sale.

Other receivables have increased from 2021 to 2022 with approximately 18 mDKK. The increase can, among other things, be attributed to increased hectare subsidy receivable, which has increased to 15.3 mDKK in 2022 against 8.7 mDKK in 2021.

In addition, a positive value of interest hedging instruments of 9.6 mDKK has been recognised in 2022.

Receivables, which per 31 December were due, but not impaired, can be seen below:	**2022**	**2021**
Period of decadence:		
Up to 30 days	3,179	3,309
Between 30 and 90 days	296	430
Over 90 days	1,182	1,192
Total	**4,657**	**4,931**

The Group sells milk, meat and crops to dairies and slaughterhouses etc. Historically, there has not been significant losses on receivables from sales for the Group. On basis of this, no provisions have been made for losses on the normal receivables from sales.

20. SHARE CAPITAL Issued shares	Amount (pcs.) 2022	Amount (pcs.) 2021	Nominal value (DKK) 2022	Nominal value (DKK) 2021
1 January	7,860,953	7,566,642	78,609,530	75,666,420
Issued in connection with purchase of company	0	50,000	0	500,000
Utilisation of warrants	68,000	0	680,000	0
Issued at conversion of bonds	1,531,324	244,311	15,313,240	2,443,110
31 December	**9,460,277**	**7,860,953**	**94,602,770**	**78,609,530**

At the end of 2022, the share capital consisted of 9,460,277 shares at nominal 10 DKK. No shares are attributed special rights.

From the Group's and parent company's result of 65.5 mDKK, it is proposed to distribute 9,0 mDKK as dividend, corresponding to 0.95 DKK per share, and transfer 56.5 mDKK to next year.

Please refer to note 22 for information about convertible bonds.

Capital management

The capital structure in FirstFarms is evaluated continuously. To see the Group's policies on profit distribution, debt finances etc., see p. 40 concerning dividend and p. 42 for risk management.

The realised return on equity for 2022 was 11.2% (2021: 6.9%).

Issuance of new shares	Expiry	Authorised (DKK)	Utilised previous years (DKK)	Utilised 2022 (DKK)	Remaining (DKK)
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
Total		**30,000,000**	**-3,565,060**	**0**	**26,434,940**

The company's Management reviews FirstFarms' ownership and capital structure on an on-going basis. The company does not hold any of its own shares and the percentage of negotiable FirstFarms shares, the free float is thus 100 percent. On the ordinary general meeting on 26 April 2022, authority was given to the company to acquire up to 10% of own shares. The authorisation was not used in 2022.

The Board of Directors is authorised to, cp. The table above, in one og more stages to issued up to 2,643,494 shares corresponding to nominal 26,434,940 DKK through cash payment, by contribution of assets other than cash (non-cash contribution) or conversion of debt or through a combination thereof. The capital increase shall be at market price – with or without pre-emption rights for the company's shareholders.

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

Issuance of warrants	Expiry	Authorised (pcs.)	Allocated previous years (pcs.)	Allocated 2022 (pcs.)	Remaining (pcs.)
Authorisation	28 April 2025	100,000	-72,000	-28,000	0
Authorisation	27 April 2026	100,000	0	-80,000	20,000
Authorisation	26 April 2027	200,000	0	0	200,000
Total		**400,000**	**-72,000**	**-108,000**	**220,000**

At the end of 2022, a total of 220,000 warrants has been issued to the company's management and employees in Denmark and abroad – hereof a total of 108,000 warrants were issued in 2022, cp. note 7.

Convertible bonds

Please refer to note 22 for information about convertible bonds.

FirstFarms has in total issued convertible bonds for 22.4 mDKK with expiry in 2023.

Convertible bonds of nominally 84.3 mDKK were converted in 2022 (2021: 12.2 mDKK).

If all present bond owners choose to convert bonds, it will correspond to issuance of 486,041 shares. This corresponds to approximately 5% of the share capital and the end of 2022.

Dividend

It is FirstFarms' goal to secure the necessary equity and liquidity to finance the organic and acquisitive growth of the company. Yearly, in combination with presentation of the accounts, an evaluation of potential dividend is made. FirstFarms aims at an annual distribution of 0.5-1.0 DKK per share.

21. DEFERRED TAX tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Deferred tax 1 January	29,448	38,220	0	0
Addition and disposal at acquisition/sale (-) of companies	1,266	-12,574	0	0
Tax recognised in the equity	1,519	821	0	0
Exchange rate adjustment	0	0	0	0
Deferred tax of the year calculated in net profit/loss	6,423	2,981	0	0
Deferred tax 31 December	**38,656**	**29,448**	**0**	**0**
Deferred tax is calculated in the balance sheet:				
Deferred tax (asset)	-2,255	-2,398	0	0
Deferred tax (liability)	40,911	31,846	0	0
Deferred tax 31 December, net	**38,656**	**29,448**	**0**	**0**
Deferred tax concerns:				
Tangible assets	34,610	33,165	0	0
Biological assets	4,933	2,131	0	0
Other accounting items	965	-5,750	0	0
Deficiet with right to put forward	-1,852	-94	0	0
Total	**38,656**	**29,448**	**0**	**0**

The fiscal deficits concern mostly the Group's foreign activities and are included in the assumption that positive taxable income will be obtained within a period of approximately 5 years.

There is an unrecognised deferred tax asset relating to losses in the parent company of 15 mDKK.

Change in temporary differences in 2022 tDKK	Balance 1/1-2022	Addition at acquisition of company	Included in net profit/loss, net	Recognised in the equity	Exchange rate adjustments	Balance 31/12-2022
Tangible assets	33,161	1,266	495	0	0	34,432
Biological assets	2,131	0	2,802	0	0	4,933
Other accounting items	-5,750	0	4,884	1,519	0	653
Deficiet with right to put forward	-94	0	-1,758	0	0	-1,852
Total	**29,448**	**1,266**	**6,423**	**1,519**	**0**	**38,656**

Change in temporary differences in 2021 tDKK	Balance 1/1-2021	Disposal at sale of company	Included in net profit/loss, net	Recognised in the equity	Exchange rate adjustments	Balance 31/12-2021
Tangible assets	43,956	-12,574	1,779	0	0	33,161
Biological assets	2,748	0	-617	0	0	2,131
Other accounting items	-7,706	0	1,135	821	0	-5,750
Deficiet with right to put forward	-778	0	684	0	0	-94
Total	**38,220**	**-12,574**	**2,981**	**821**	**0**	**29,448**

22. CONVERTIBLE BONDS

tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Proceeds from issuance of convertible bonds, primo	107,397	119,639	107,397	119,639
Converted in the year	-84,296	-12,242	-84,296	-12,242
Repaid in the year	-750	0	-750	0
Proceeds from issuance of convertible bonds, end of period	**22,351**	**107,397**	**22,351**	**107,397**
Fair value of right to convert at date of issuance recognised in the equity, primo	-2,042	-2,042	-2,042	-2,042
Fair value of financial obligation at the date of issuance	**20,309**	**105,355**	**20,309**	**105,355**
Amortisation 1 January	1,868	1,699	1,868	1,699
Amortisation of the year	174	169	174	169
Amortisation 31 December	**2,042**	**1,868**	**2,042**	**1,868**
Accounting value of financial obligation 31 December	**22,351**	**107,223**	**22,351**	**107,223**

The following convertible bonds are outstanding (tDKK):

2022	Beginning	Repaid	Converted	End		Expiry 2023	Total	Interest	Effective interes
Issued 2016	20,750	0	-500	20,250		20,250	20,250	6.0%	6.4%
Issued 2017-1	64,650	-750	-63,900	0		0	0	5.0%	5.2%
Issued 2017-2	2,101	0	0	2,101		2,101	2,101	6.0%	6.2%
Issued 2018	19,896	0	-19,896	0		0	0	5.0%	5.2%
Total	**107,397**	**0**	**-84,296**	**22,351**		**22,351**	**22,351**		

2021	Beginning	Repaid	Converted	End	Expiry 2022	Expiry 2023	Total	Interest	Effective interes
Issued 2016	21,500	0	-750	20,750	0	20,750	20,750	6.0%	6.4%
Issued 2017-1	69,650	0	-5,000	64,650	64,650	0	64,650	5.0%	5.2%
Issued 2017-2	8,593	0	-6,492	2,101	0	2,101	2,101	6.0%	6.2%
Issued 2018	19,896	0	0	19,896	19,896	0	19,896	5.0%	5.2%
Total	**119,639**	**0**	**-12,242**	**107,397**	**84,546**	**22,851**	**107,397**		

In 2020, the convertible bonds from 2016 and 2017-2 are offered prolonged for 1 or 3 years. A total of 30.1 mDKK of a total of 33.4 mDKK was prolonged; of this 23.8 mDKK was prolonged 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 the fair value.

The value of the financial obligation is at the date of issuance calculated using a market interest corresponding to the interest for a similar non-convertible debt instrument. The difference between the proceeds at issuance of the convertible bonds and the fair value of the financial obligation constitutes the fair value of the right to convert at the date of issuance which is recognised directly in the equity (level 3 in the fair value hierarchy).

The fair value of the outstanding bonds at the end of 2022 is calculated to 22.4 mDKK (2021: 107.6 mDKK). There is assumed an interest of discounting for bonds of 5%.

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

23. DEBT TO CREDIT INSTITUTIONS tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Debt to credit instituions is recognised in the balance sheets:				
Long-term liabilities	327,815	246,931	55,774	151
Short-term part of long-term liabilities	105,156	66,716	2,975	43
Total	**432,971**	**313,647**	**58,749**	**194**
Bank overdrafts	44,694	9,473	24,365	0
Total	**477,665**	**323,120**	**83,114**	**194**
Fair value	471,773	334,942	83,114	194
Nominal value	477,665	323,120	83,114	194
- Of this fixed interest	203,836	206,195	0	0
Current maturity				
0-1 year	149,850	76,189	27,340	43
1-5 years	187,894	186,127	11,898	151
> 5 years	139,921	60,804	43,876	0
Total accounting value	**477,665**	**323,120**	**83,114**	**194**

A change of the interest rate with 1 %-point will entail a change in the interest expenses of 2.6 mDKK. (2021: 0.4 mDKK).

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

FirstFarms has entered three interest hedging agreements to secure the company against increases in interest. These interest hedging agreements have a value of 7.2 mDKK at the end of 2022 (2021: -1.4 mDKK).

An interest hedging agreement has been entered into for loans in Slovakia, which at the end of 2022 have a residual debt of 112 mDKK. The value of interest hedging agreements is calculated quarterly. The value is calculated based on the current interest rate and future payments regarding interest hedging.

Interest hedging has been carried out on three loans totalling 112 mDKK. The interest hedging follows the principal of the underlying loans. The interest is secured so 62.7 mDKK until 2026 is with an interest rate of 0.14%, 28.7 mDKK until 2028 is with an interest rate of 0.58% and 21.0 mDKK until 2027 with an interest rate of 2.91%.

There is a 1:1 correlation between hedging and the underlying debt and the amortisation of the interest hedging agreements matches the amortisation of the underlying loans.

Loans in the Czech Republic totalling 32 mDKK have a fixed interest rate. The interest rate is fixed until 2037 with 2.59% until 2037 for 24.2 mDKK, 5.0 mDKK until 2037 with an interest rate of 2.25% and 3.0 mDKK until 2027 with an interest rate of 1.99 %.

The debt in Slovakia is obtained in EUR, and there is an average interest rate at the end of 2022 of 2-4% (2021: 3-4%). In Romania, most of the debt is in RON or EUR, and the interest here is 3-10% (2021: 3-5%).

In Hungary, the debt is obtained in HUF, and bears interest at 11-14% (2021:3-5%) and in the Czech Republic, the debt is obtained in CZK, and bears interest at 2-8%. (2021: 4-5%).

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

Development in loan in credit institutions tDKK	Group 2022	Group 2021
Loan in credit institutions etc., beginning	323,120	361,726
Addition at purchase of company	4,302	0
Addition creditinstitutions	179,244	38,460
Repayments	-40,553	-93,076
Change in hedging instruments	-1,420	-2,488
Tilgang leasing forpligtelser	12,972	18,498
Loan in credit instisutån i kreditinstitutter mv. ultimo	**477,665**	**323,120**

Leasing

Liabilities regarding leased assets are included in debts to credit institutions:

Group 2022 tDKK	Minimum contribution	Interest etc.	Repayment of liabilities
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
Total	**73,413**	**8,533**	**64,880**

Group 2021 tDKK	Minimum contribution	Interest etc.	Repayment of liabilities
0-1 year	16,269	2,417	13,852
1-5 years	48,462	3,008	45,454
> 5 years	5,826	954	4,872
Total	**70,557**	**6,379**	**64,178**

The total payments regarding leasing in 2022 is 19.4 mDKK (2021: 18.6 mDKK), of which interest payments are 2.9 mDKK (2021: 2.5 mDKK).

There are not leases with variable payment, short maturity or low value leases.

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

24. TRADE PAYABLES AND OTHER PAYABLES tDKK	**Group 2022**	**Group 2021**	**Parent company 2022**	**Parent company 2021**
Trade payables	34,053	20,649	843	214
Other payables	40,384	47,041	24,750	28,858
Total	**74,437**	**67,690**	**25,593**	**29,072**

25. CORPORATION TAX tDKK	**Group 2022**	**Group 2021**	**Parent company 2022**	**Parent company 2021**
Corporation tax 1 January	-766	0	0	0
Current tax of the year	-11,121	-8,761	0	0
Adjustment of tax, previous years	-617	583	0	0
Paid corporation tax	7,685	7,412	0	0
Corporation tax 31 December	**-4,819**	**-766**	**0**	**0**

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 will not have significant influence for the Group's financial position.

Securities

For the bank debt in Slovakia, Romania, Hungary and Czech Republic of 241.6 mDKK (2021: 257.5 mDKK), security has been given in fixed assets, where the booked value constitutes 568 mDKK. (2021: 593 mDKK).

The parent company has guaranteed for the subsidiaries' debt in credit institutions in Slovakia, Romania and Hungary with an accounting value of 169.6 mDKK. (2021: 131.8 mDKK).

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

The parent company has provided security for debt to credit institutions with an accounting value of 83 mDKK in shares in FirstFarms s.r.l, other capital shares and balance with FirstFarms s.r.l. and FirstFarms Agro East s.r.l..

27. FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Total fee to PwC				
Statutory audit	936	828	275	287
Other declaration tasks with security	0	0	0	0
Tax and VAT services	282	0	249	0
Other services	610	68	56	54
Total	**1,828**	**896**	**580**	**341**

Fee to other auditors				
Statutory audit	615	460	0	0
Other declaration tasks with security	0	0	0	0
Tax and VAT services	123	60	0	0
Other services	2	5	0	0
Total	**740**	**525**	**0**	**0**
Total fees for auditors	**2,568**	**1,421**	**580**	**341**

Fees to other services than statutory audit provided by PricewaterhouseCoopers Statsautoriseret Revisionspartner-selskab to the Group amount to 305 tDKK (2021: 54 tDKK) and consist of tax advice in connection with preparation of transfer pricing documentation for the Group, advice on the CSR-area and other general accounting and tax advice.

28. CHANGE IN WORKING CAPITAL tDKK	**Group 2022**	**Group 2021**	**Parent company 2022**	**Parent company 2021**
Change in biological assets and inventories	-21,450	-2,127	0	0
Change in receivables etc.	-12,739	-1,393	-3,778	-16,452
Change in supplier debts, other debt obligations and accruals	24,510	-367	-3,479	9,870
Total	**-9,679**	**-3,887**	**-7,257**	**-6,582**

29. NON-CASH TRANSACTIONS tDKK	**2022**	**2021**
Acquisition of tangible assets, cp. note 15	213,399	72,837
Of this, leased assets	-12,972	-18,498
Paid regarding acquisition of tangible assets	**200,427**	**54,339**
Proceeds from taking on/paying off financial debt liabilities	235,959	-23,876
Of this, convertible bonds converted to shares	-84,296	-12,242
Of this, leasing debt	-12,972	-18,498
Received when taking on financial liabilities	**138,691**	**-54,616**

30. FINANCIAL ASSETS AND LIABILITIES (BOOKED VALUE) tDKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Financial assets at amortised cost price				
Trade receivables	26,140	20,946	0	0
Other receivables	28,141	17,255	3,128	312
Cash and cash equivalents	21,860	77,467	0	46,790
Receivables from associated companies	0	0	324,937	239,618
Financial assets at fair value				
Other capital shares (fair value) *	24,197	0	24,197	0
Hedging instrument (fair value)	0	0	0	0
Hedging (interest rates)	7,223	0	0	0
Total	**107,561**	**115,668**	**352,262**	**268,720**
Financial liabilities at amortised cost price				
Trade payables and other debt	112,680	105,453	34,833	52,661
Debt for credit institutions and leasing	477,665	321,700	83,114	194
Convertible bonds	22,351	107,223	22,351	107,223
Due corporation tax	4,819	766	0	0
Debt to associated compaies	0	0	28,301	26,089
Financial liabilities at fair value				
Hedging instruments (fair value)	0	0	0	0
Hedging (interest rates)	0	1,420	0	0
Total	**617,515**	**535,796**	**168,599**	**186,167**

* Other capital shares are calculated at fair value after level 3.
The fair value is calculated on basis of 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
2023	0.8	0.2	0.2
2022	0.9	0.1	0.5

Sensitivity to equity	RON	HUF	CZK
2023	5.3	6.7	2.7
2022	4.1	1.8	3.8

Interest rate risk
An increase in the interest rate of 1 %-point will – all things being equal – entail a change in the financial costs of 2.6 mDKK. (2021: 0.4 mDKK).

The convertible bonds have a fixed interest rate.

As a result of the hedging of the interest rates in Slovakia, the equity will be affected by 3-4 mDKK at and interest rate change of 1 %-point.

mDKK	2022	2021
Variable interest rate debt	262.7	38.0
Effect at 1 % change	2.6	-0.4

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 year-end.

mDKK	2022	2021
Cows	2.6	2.4
Pigs	2.3	1.4
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 2023.

The Groups liabilities fall due as follows:

2022 tDKK	Accounting value	Contractual cash flows	0 to 1 year	1 to 5 years	After 5 year
Non-derivative financial instruments					
Credit institutions and banks	412,785	477,994	154,060	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	55,038	55,038	55,038		
Derivative financial instruments	0	0	0	0	0
31 December	**612,696**	**687,907**	**298,589**	**233,142**	**156,176**

2021 tDKK	Accounting value	Contractual cash flows	0 to 1 year	1 to 5 years	After 5 year
Non-derivative financial instruments					
Credit institutions and banks	257,521	285,020	64,302	162,591	58,126
Financial leasing liabilities	64,178	70,557	16,269	48,462	5,826
Trade payables	20,649	20,649	20,649	0	0
Convertible bonds	107,219	111,429	87,949	23,480	0
Other interest-bearing debt	37,215	39,062	14,843	24,219	0
Other debt	34,489	34,489	31,995	622	1,872
Derivative financial instruments	1,420	1,420	237	947	237
31 December	**522,691**	**562,626**	**236,244**	**260,321**	**66,061**

All of the parent company's main liabilities are convertible bonds and other debt obtained in connection with purchase of the shares in FirstFarms Slovakia A/S.

For the group the short-term part of debt to credit institutions consists of overdrafts, short-term part of the long-term debts and revolving credits regarding grains and subsidies of 35 mDKK which are prolonged on an ongoing basis.

All convertible bonds are expected to be converted to shares based on the present share price.

32. RELATED PARTIES

FirstFarms A/S do not have shareholders with determinative influence on FirstFarms A/S.

FirstFarms A/S' related parties with determinative influence include the management and the Board of Directors of the company. Related parties also include the company where the above-mentioned persons have considerable interests.

Besides remuneration, cp. note 7, no transactions with the Board of Directors and Key Management have been made in 2022.

For a description of receivables at related companies, see the balance sheet of the parent company and note 11 and 12 as regards to returns on accounts.

In 2022, FirstFarms A/S has invoiced group contribution etc. of 8.2 mDKK. (2021: 8.1 mDKK)

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

2021 **Name**	**Closely related to**	**Convertible bonds for**
Thoraso ApS	Chairman Henrik Hougaard	49,234,983 DKK
NKB Invest ApS	Vice chairman Asbjørn Børsting	1,000,000 DKK
Vice chairman Asbjørn Børsting		816,949 DKK
CEO Anders H. Nørgaard		750,000 DKK

33. SUBSEQUENT EVENTS

No events have occurred after the balance sheet date that are significant for the group's and the company's position as per 31 December 2022.

34. NEW ACCOUNTING REGULATION

With effect from 1 January 2022, the Group has implemented the following amended standards and interpretations:

- Amendments to IAS 37 regarding calculation of costs to fulfill a contract when assessing whether the contract is onerous
- Amendments to IAS 16 regarding income from sale of goods produced on the asset before it is ready for use
- Amendments to IFRS 3 regarding references to the accounting conceptual framework
- Annual improvements (2018-2020 cycle).

None of the above standards has had an impact on recognition and measurement in 2022 or are expected to affect the Group.

The following new or amended accounting standards and interpretations that may be relevant to FirstFarms A/S have been adopted by the IASB. The standards are not assessed to have effect for FirstFarms A/S on preparation of the annual report for 2022.

- IFRS 17 Insurance Contracts including amendments to IFRS 17
- Amendments to IAS 1: Classification of liabilities as current or non-current
- Annual improvements to IFRSs 2018-2020 Cycle.IAS 1 *Presentation of Financial Statements – Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies*
- IAS 8 *Accounting policies, Changes in Accounting estimates and Errors – Amendments to IAS 8 Accounting policies, Changes in Accounting estimates and Errors: Definition of Accounting Estimates*
- IAS 12 *Income taxes - Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction.*
- IAS 1 Presentation of Financial Statements – Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies

FirstFarms does not expect, that implementation of the amended standards to have significant impact on the financial reporting.