Company announcement no. 13/2016

29 November 2016

Interim financial report for 1 January–30 September 2016 for FirstFarms A/S

Summary – FirstFarms maintains the announced expectations

The Board of Directors and Management of FirstFarms A/S have today reviewed and adopted the un-audited interim financial accounts for the period 1 January – 30 September 2016.

- FirstFarms maintains the announced expectations of an EBIT result in the level of DKK 0. FirstFarms A/S' negotiations with AP Pension regarding land and buildings in Romania are still in a positive dialogue, and it is expected, that the final agreement can be ready before the end of the year. The agreement with AP Pension about sale of land is not expected to have result effect in 2016.
- In the first 9 months, the milk price has been significantly lower than expected, but the milk prices have started to increase. The milk production per unit has been a little higher than expected.
- The sales prices on grain have been lower than expected, whereas the prices on oil seed have been a little higher than expected. In total, there has been a negative influence on the result from the crop prices.
- The yields have been better than expected for both autumn and spring crops.
- FirstFarms has in the accounting period realised a turnover of DKK 89.8 million, an EBIT result of DKK 1.4 million and a pre-tax result of DKK -5.4 million.

Best regards
FirstFarms A/S

For further information:
Please visit our website www.firstfarms.com or
contact CEO Anders H. Nørgaard on telephone +45 75 86 87 87.

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Main and key ratios

DKK 1,000	The Group Q1-Q3 2016	The Group Q1-Q3 2015	The Group Q3 2016	The Group Q3 2015	The Group 2015
Main figures					
Turnover	89,820	70,906	50,972	38,578	111,841
Gross profit/loss	9,775	2,304	1,643	-5,012	-5,547
Profit/loss of primary operations	1,439	-5,940	-677	-9,653	-14,657
Net financial items	-6,522	-4,947	-2,119	-1,931	-7,806
Pre-tax result	-5,083	-10,887	-2,796	-11,584	-22,463
Net profit	-4,206	-8,486	-2,629	-9,026	-21,977
Non-current assets	402,005	405,460	402,005	405,460	402,254
Current assets	149,583	148,497	149,583	148,497	123,692
Total assets	551,588	553,957	551,588	553,957	525,946
Share capital	47,122	47,122	47,122	47,122	47,122
Equity	302,034	321,995	302,034	321,995	306,173
Non-current liabilities	105,617	47,524	105,617	47,524	70,137
Current liabilities	143,937	184,438	143,937	184,438	149,636
Cash flow from primary operations	-1,613	-6,349	1,426	6,411	-4,937
Cash flow from operations	-8,397	-11,431	-693	4,330	-12,916
Cash flow for investment, net	-12,719	-24,389	-3,722	-5,168	-21,034
Of which for investment in tangible assets	-16,407	-32,720	-4,763	-6,562	-38,493
Cash flow from financing	22,615	2,279	10,589	-1,173	-14,332
Total cash flow	1,499	-33,541	6,174	-2,011	-48,282
Key figures					
Gross margin	10.9	3.2	-8.8	-13.0	-5.0
Operating margin	1.6	-8.4	-106.6	-25.0	-13.1
Solvency ratio	55	58	55	58	58
Earnings per share, DKK	-0.89	-1.80	-0.56	-1.92	-4.66
Diluted earnings per share, DKK	-0.67	-1.43	-0.42	-1.52	-4.00
Return on shareholders' equity	-1.8	-3.5	-3.5	-11.1	-6.9
Average number of employees	221	216	227	218	211

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Management report for the period 1 January – 30 September 2016

FirstFarms has in the accounting period realised a turnover of DKK 89.8 million, an EBIT result of DKK 1.4 million and a pre-tax result of DKK -5.4 million.

In 2016, the equity is reduced by DKK 4.1 million due to a result after tax of DKK -4.2 million and an exchange rate adjustment of DKK 0.1 million.

In the first 9 months, the milk price has been significantly lower than expected, but the milk prices have started to increase. The milk production per unit has been a little higher than expected.

The sales prices on grain have been lower than expected, whereas the prices on oil seed have been a little higher than expected. In total, there has been a negative influence on the result from the crop prices.

The yields have been better than expected for both autumn and spring crops.

FirstFarms maintains the announced expectations of an EBIT result in the level of DKK 0. FirstFarms A/S' negotiations with AP Pension regarding land and buildings in Romania are still in a positive dialogue, and it is expected, that the final agreement can be ready before the end of the year. The agreement with AP Pension about sale of land is not expected to have result effect in 2016.

Risk assessment

FirstFarms has in the annual report for 2015 described the most essential risks for the company, and it is the management's opinion that this description is still adequate. The annual report and the risk assessment can be found on the company's website www.firstfarms.com.

Accounting policies

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

Accounting policies are, except for the below mentioned, unchanged compared to the consolidated financial statement and annual report for 2015, to which is referred.

FirstFarms A/S has implemented the standards and interpretations, which become effective for 2016. None of these standards have affected recognition and measurement in 2016.

The consolidated financial statement and annual report for 2015 contains the full description of accounting policies.

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Expectations for 2016

FirstFarms maintains the announced expectations of an EBIT result in the level of DKK 0. FirstFarms A/S' negotiations with AP Pension regarding land and buildings in Romania are still in a positive dialogue, and it is expected, that the final agreement can be ready before the end of the year. The agreement with AP Pension about sale of land is not expected to have result effect in 2016.

Financial calendar for 2017

28 March 2017	Annual report 2016
25 April 2017	Annual general meeting
31 May 2017	Interim financial report 1 January – 31 March 2017
29 August 2017	Interim financial report 1 January – 30 June 2017
28 November 2017	Interim financial report 1 January – 30 September 2017

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Management statement

The Management and Board of Directors of FirstFarms have today discussed and approved the interim financial report of FirstFarms A/S for the period 1 January – 30 September 2016.

The interim financial accounts, which has not been audited or reviewed by the independent auditors of the Company, has been prepared in accordance with IAS 34 – "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion the interim financial accounts gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2016 and of the results of the Group's operations and cash flows for the period 1 January – 30 September 2016.

Further, in our opinion the Management's review gives a true and fair overview of the development in the Group's operations and financial matters, the results of the Group's operations and the Group's financial position as a whole.

Billund, 29 November 2016

Management

Anders H. Nørgaard
CEO

Board of Directors

Henrik Hougaard Chairman	Asbjørn Børsting	Jens Bolding Jensen

Bent Juul Jensen

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Income statement

DKK 1,000	The Group Q1-Q3 2016	The Group Q1-Q3 2015	The Group Q3 2016	The Group Q3 2015	The Group 2015
Turnover	89,820	70,906	50,972	38,578	111,841
Value adjustment of biological assets	6,132	-2,687	-4,476	-11,871	-15,953
Production costs	-114,509	-89,305	-54,311	-41,903	-131,688
Grants	28,332	23,390	9,458	10,184	30,253
Gross profit/loss	**9,775**	**2,304**	**1,643**	**-5,012**	**-5,547**
Other operating income	223	893	11	-648	908
Administration costs	-8,208	-8,872	-2,299	-3,728	-9,540
Other operating costs	-351	-265	-32	-265	-478
EBIT result	**1,439**	**-5,940**	**-677**	**-9,653**	**-14,657**
Financial income	323	443	211	88	602
Financial costs	-6,845	-5,390	-2,330	-2,019	-8,408
Pre-tax result	**-5,083**	**-10,887**	**-2,796**	**-11,584**	**-22,463**
Tax on net profit	877	2,401	167	2,558	486
Net profit	**-4,206**	**-8,486**	**-2,629**	**-9,026**	**-21,977**
Earnings per share, DKK	-0.89	-1.80	-0.56	-1.92	-4.66
Diluted earnings per share, DKK	-0.67	-1.43	-0.42	-1.52	-4.00

Total income statement

DKK 1,000	The Group Q1-Q3 2016	The Group Q1-Q3 2015	The Group Q3 2016	The Group Q3 2015	The Group 2015
Net profit	-4,206	-8,486	-2,629	-9,026	-21,977
Other total income					
Items, which can be re-classified to the income statement:					
- Exchange rate adjustments by conversion of foreign units	67	1,751	879	66	-650
- Tax of other total income	0	0	0	0	0
Other total income after tax	**67**	**1,751**	**879**	**66**	**-650**
Total income	**-4.139**	**-6,735**	**-1,750**	**-8,960**	**-22,627**

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Balance

DKK 1,000	The Group Q3 2016	The Group Q3 2015	The Group 2015
ASSETS			
Non-current assets			
Intagible assets			
Goodwill	16,042	16,059	16,067
Land lease contracts	3,901	5,719	4,967
Total intagible assets	**19,943**	**21,778**	**21,034**
Tangible assets			
Land and buildings	264,246	262,945	261,251
Plant and machinery	69,061	78,091	73,870
Fixtures and fittings, tools and equipment	1,006	1,205	1,253
Fixed assets under construction	11,216	5,680	8,466
Total tangible assets	**345,529**	**347,921**	**344,840**
Biological assets			
Basic herd	24,276	22,818	23,693
Total biological assets	**24,276**	**22,818**	**23,693**
Other non-current assets			
Deferred tax asset	12,257	12,943	12,687
Total other non-current assets	**12,257**	**12,943**	**12,687**
Total non-currents assets	**402,005**	**405,460**	**402,254**
Current assets			
Inventories	62,123	52,168	38,192
Biological assets - breeding and crops	45,192	49,087	45,091
Receivables	3,412	14,499	8,512
Other receivables	32,895	31,411	29,251
Accruals and deferred expenses	4,620	217	1,463
Cash at bank and in hand	1,341	1,115	1,183
Total current assets	**149,583**	**148,497**	**123,692**
TOTAL ASSETS	**551,588**	**553,957**	**525,946**

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

DKK 1,000	The Group Q3 2016	The Group Q3 2015	The Group 2015
EQUITY AND LIABILITIES			
Equity			
Share capital	47,122	47,122	47,122
Reserve for exchange rate adjustment	-22,057	-19,723	-22,124
Transferred result	276,969	294,596	281,175
Proposed dividend	0	0	0
Total equity	**302,034**	**321,995**	**306,173**
Liabilities			
Non-current liabilities			
Deferred tax	8,304	7,224	8,472
Credit institutions	37,950	40,300	30,651
Cenvertible bonds	59,363	0	31,014
Total non-current assets	**105,617**	**47,524**	**70,137**
Current liabilities			
Credit institutions	78,965	64,933	79,914
Convertible bonds	3,901	49,889	18,934
Trade payables and other payables	48,702	56,282	37,424
Corporation tax	0	0	262
Accruals and deferred income	12,369	13,334	13,102
Total current liabilities	**143,937**	**184,438**	**149,636**
Total liabilities	**249,554**	**231,962**	**219,773**
TOTAL EQUITY AND LIABILITIES	**551,588**	**553,957**	**525,946**

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Equity statement (Condensed)

DKK 1,000	The Group Q1-Q3 2016	The Group Q1-Q3 2015
EQUITY STATEMENT		
Equity 1 January	306,173	328,730
Result of the period	-4,206	-8,486
Other total income	67	1,751
Total income for the period	-4,139	-6,735
Equity 30 September	**302,034**	**321,995**

Cash flow statement

DKK 1,000	The Group Q1-Q3 2016	The Group Q1-Q3 2015
Pre-tax result	-5,083	-10,887
Cash generated from operations (operating activities) before changes in working capital	15,654	9,340
Cash flow from primary activities	-1,613	-6,349
Cash flow from operating activities	-8,397	-11,431
Cash flow from investing activities	-12,719	-24,389
Cash flow from financing activities	22,615	2,279
Total cash flow	**1,499**	**-33,541**
Available, at the beginning	-78,731	-30,404
Exchange rate adjustment of available	-392	127
Available at closing	**-77,624**	**-63,818**
Available at closing si recognised as follows:		
Avaliable funds	1,341	1,115
Current bank debt	-78,965	-64,933
Available at closing	-77,624	-63,818

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund

Segment information

Q1-Q3 2016 DKK 1,000	Romanian activities	Slovakian activities	Total report compulsory segments
Total segment turnover	32,628	57,192	89,820
Grants	8,436	19,896	28,332
Value adjustment of biological assets	3,400	2,732	6,132
Financial income	322	0	322
Depreciations	-5,133	-12,369	-17,502
Segment result before tax	26	-805	-779
Segment assets	199,058	352,301	551,359
Plant investments *)	11,124	5,283	16,407
Segment liabilities	152,203	239,444	391,647

*) Plant investments are investments in machinery, land and buildings.

Q1-Q3 2015 DKK 1,000	Romanian activities	Slovakian activities	Total report compulsory segments
Total segment turnover	26,465	44,441	70,906
Grants	7,187	16,203	23,390
Value adjustment of biological assets	-1,119	-1,568	-2,687
Financial income	443	0	443
Depreciations	-4,428	-13,048	-17,476
Segment result before tax	3,544	-11,790	-8,246
Segment assets	190,661	368,387	559,048
Plant investments *)	17,640	9,681	27,321
Segment liabilities	134,007	250,435	384,442

*) Plant investments are investments in machinery, land and buildings.

Reconciliation of report compulsory segments result DKK 1,000	Q1-Q3 2016	Q1-Q3 2015
Segment result before tax for report compulsory segments	-779	-8,246
Non-allocated result, Group function	-4,304	-2,641
Result of continued operations before tax, cp income statement	**-5,083**	**-10,887**

FirstFarms A/S
Majsmarken 1 – 7190 Billund – Danmark – Tel.: +45 7586 8787
www.firstfarms.dk – www.firstfarms.com – info@firstfarms.com
CVR no.: 28312504 – Registered office: Billund