

The CEO's review of the accounts at FirstFarms' annual general meeting on 27 April 2021

Thank you for giving the word to me – and also a thank you from me for your attendance at the general meeting.

It was with joy and pride that we a month ago could present our 2020-result. Thus, I have been looking forward to the annual general meeting, where I in my review have three key messages for you:

1. 2020 was the year where our business model was up for exam and passed with a satisfactory result
2. We are on a controlled journey of growth, build a healthy and solid foundation, where we focus om more sustainability
3. We maintain our goal about growth

Result 2020

Drought, low pig prices, ASF and then an unpredictable and uncontrollable COVID-19 pandemic on top, made 2020 an extremely difficult year to do business in. It was also a difficult year to be an employee, partner, customer, supplier and – not to forget – shareholder.

Still, FirstFarms did not just get through - but well through - 2020.

We were extremely efficient in the production, we sold developed land and we bought some more companies with land - in Romania and Slovakia. All and more contributed to a satisfactory result and a strengthening of our capital base.

We realised a turnover of 313 mDKK.

The EBITDA was 100 mDKK – a prosperity of 3 percentage point

The EBIT was 54 mDKK – a prosperity of 6 mDKK

Compared to 2019 EBITDA, EBIT and the result has increased despite difficult market conditions, with ASF in Germany and COVID19, and decreasing prices on pigs at the end of the year.

The result of the year compared to 2019 is significantly affected by:

- Sale of land in West Romania – 30 mDKK
- 20 mDKK in revenue by acquisition of land company in Northwest Romania
- Negatively with -30 mDKK on value adjustment of pigs compared to 2019

Our turnover has decreased slightly. It is mainly because we have increased the circular processing. Thus, turnover is eliminated due to internal sale of piglets from Slovakia to Czech Republic, compared to 2019.

We are satisfied with the result in 2020 compared to the market conditions we have operated in.

We have assets for 1.1 bnDKK and an equity of 0.5 bnDKK, this gives a total solvency ratio of approx. 40 percent – which is an improvement of 5 percentage points.

During the year we have sold 900 hectares, we have acquired 2,400 hectares and 1,400 hectares of rent contracts – this is the main reason for the increase of assets, especially land compared to 2019.

The acquisition of land in Romania, 2,400 hectares, is done through an acquisition of a company which is paid by issuing shares in FirstFarms, the equity has therefore been strengthened significantly.

Land values are approx. 47% of our total assets of 1.1 bnDKK and are booked at cost prices. We have an off-the-books added value of approx. 250 mDKK before tax. If these values are added, the land values will be 55 percent of the total balance sheet.

As mentioned earlier, we calculate our land values in the accounts at cost prices, and thus the value added on land is not part of the equity, the added value is 200 mDKK after tax.

We have a price-equity ratio of 1 compared to the booked equity. If the added value on land is added, price-equity ratio would be 0.7 instead. This means that if we sold the assets out of the company incl. the added values, we would have 30 percent more cash than the market value of our shares.

Regarding dividend, it is our goal to distribute this in form of dividends or share buybacks.

We are aiming for an annual dividend of 0.5-1 DKK per share.

Expectations to 2021

I would like to put a few words on our expectation for 2021.

As Henrik said, we expect an acceptable and stable year with a small growth.

We expect that the prices we get for our goods will be on par with the average prices in 2020.

Fortunately, we have seen large price increases on our products – not least pig prices and crops – during the first months of 2021, this gives us faith in a positive result development.

We may not forget the Covid-19 pandemic, which is far from over. Our first priority is therefore still in 2021 to keep all our employees healthy, and of course we continue to take all necessary precautions on an ongoing basis.

I would like to put some more works on the company. What are we made of and what do you get, if you invest in FirstFarms:

- A balance business model – 4 strong areas without immediate correlation.
- Divided on countries, geography and products. All within EU. Our business model enables us to scale and adapt to the market.

If I should make a few comments about our land, which constitutes 55 percent of our balance sheet.

- An investment in FirstFarms is an investment in a cyclically robust asset. Equity is tied up in agricultural land, which historically is inflation protective.
- The land is not just the company's and the investors safety net – the land is *coin*.

FirstFarms' journey of growth

FirstFarms has during the past 5 years be on a journey of growth, which as lead to an increase in turnover of approx. 200 mDKK.

The journey continues. Because we have a very good starting point in order to accelerate our business and growth.

We are ready for new acquisitions or sale of fully developed projects. We have a large project bank with executable projects, which we are continuously assessing start-up of. Right now we are well underway with a silo project in Czech Republic and have permissions and building project for up to 4,000 sows in Hungary.

We are ready to take advantage of the opportunities that present themselves within the existing business and we are not least ready to seize new opportunities.

We have a changeable and hungry organisation, and we have the financial flexibility to act on new opportunities – opportunities, that create further value for our shareholders.

We want more – we are not happy yet.

Conclusion

Before I finish, I want to talk about our work on sustainability.

Already today, the work towards a more sustainable FirstFarms is a primary focus area, but it is an area that will require – and will get – even greater focus the next many years.

To highlight the work with sustainable development in our company – we use the recommendations for reporting tool from Nasdaq – ESG (Environment, Social, Governance)

In addition, we have a whole range of politics and objectives, which contain descriptions, workflows and objectives for our work with sustainable development including animal welfare, CO₂, water, energy and medicine. Policies and guidelines are constantly being adjusted to ensure that we are always on the right track.

We are constantly discovering new opportunities that can improve our footprint.

This was review.

I hope it gave a satisfactory insight into the 2020 result and our plans and ambitions for the future.

Let me conclude by repeating my three main key messages:

1. 2020 was the year where our business model was up for exam and passed
2. FirstFarms is well positioned for the future – and that means maintaining our goals
3. The journey of growth continues

Thank you for your attention.