

Report by the Chairman of the Board at FirstFarms' annual general meeting 30 April 2014

Dear shareholders,

Welcome to FirstFarms' general meeting. I am pleased to see once again so many shareholders in attendance to the company's annual general meeting here in Billund to hear about FirstFarms. We are a total of 79 present today.

The year 2013

In 2013, FirstFarms realised a turnover of DKK 114.1 million, an EBIT result of DKK 11.2 million and a net profit of DKK 4.5 million.

The result in 2013 is an improvement of DKK 39 million compared to 2012. We are satisfied with the improvement and that the company has kept the announced expectations, but we should continue to work to increase the revenue which is still not satisfactory.

The increased revenue in 2013 is due to a significant improvement in our milk production, where the production during 2013 reached an acceptable level, although we still have a significant potential and constantly work on improvements in the production. Furthermore, the milk price has been higher in 2013, and the average milk price reached the expected level. In the first half year of 2013 the milk price was lower than expected whereas, in the last half of the year, the price was higher than expected at the beginning of the year.

It is pleasant that the development in the milk production has been positive as it in previous years has not been satisfactory, and that the disease pressure in the herd is now under control, which has previously effected the production very negatively.

The number of cows were reduced due to clearance of the herd, and the herd has again increased in the last part of 2013 using own breed. We are however still not on full capacity utilisation.

The field production also contributed to an improvement compared to last year. The harvest in 2012 was very negatively influenced by drought in both Slovakia and Romania. In 2013, record yields were realised in Romania and also good yields in Slovakia except maize, which was negatively influenced by a dry summer. The prices in 2013 were lower than in 2012, and also lower than expected entering 2013.

In November 2013, FirstFarms issued convertible bonds for a total value of DKK 50 million. On an extraordinary general meeting on 28 October 2013, the company was authorised to issue convertible bonds for a value between DKK 25 million and DKK 50 million. It was very positive with the oversubscription of the bonds, and we are very pleased with the trust shown to the company.

The proceeds from the bonds have been used to expand the cultivation areas in Slovakia and Romania and to strengthen the company's financial resources. The money should work for the

benefit of the company, but focus shall also be on the fact that the money might have to be paid back after 2 years, if the lenders do not convert into shares.

We believe that the issuance of convertible bonds in FirstFarms has been a success for the company and its shareholders, and we look positively on the possibility to use the instrument again in the future.

Lars Thomassen has chosen not to run for re-election to the Board after being a member since 2006. I would like to thank Lars Thomassen for the work in the Board.

The Board proposes Asbjørn Børsting as new member of the Board. I am pleased that Asbjørn Børsting has agreed to run for election for the Board. I have no doubt that he has the qualifications, which can help to strengthen the company's further development. We will present Asbjørn Børsting closer in connection with election of members to the company's Board.

Development in the agriculture

2013 became a reasonable year for the agriculture in both Denmark and the rest of Europe. The milk price was increasing and highest in the last part of 2013, which pleased us as milk producer.

The crop prices decreased over summer 2013 due to good harvest results, both in Denmark, Europe and the rest of the world. The prices are however on an acceptable level and the decreasing prices were for many compensated for by good yields. The crop prices have been increasing during spring 2014, and FirstFarms has chosen to freeze the prices on a part of the expected production in Slovakia in 2014.

It is my immediate assessment that the debt crisis in the agriculture is slowly softening, and that the banks have become more positive towards lending to the industry. There is however still a long way to a normalisation in Denmark.

Risk management

Agricultural operation is associated with a range of risks, i.e. animal- and crop diseases, weather conditions, commodities etc. I refer to our annual report for a closer description of these risks.

The FirstFarms share

In 2013, the price on FirstFarms' share increased with 46 percent from 32.8 at the beginning of the year to 48 at the end of the year. The total smallcap-index, which FirstFarms is a part of, increased with 26 percent in 2013.

It is pleasant for the company's shareholders that the price has increased in 2013 after a significant decrease in 2012. The market value of the company on the stock exchange was at the end of 2013 at DKK 226.2 million.

In 2013, the average turnover of the share was approx. DKK 155,000 per business day, which is on par with 2012. In the last part of 2013, the turnover per business day was however somewhat higher. The closing price was 52.50 on 29 April.

The organisation

In 2012, CEO Anders Nørgaard put together a management group and made the framework for the cooperation in the management group and there has been stability in the group in 2013 in FirstFarms. It is our assessment that it is good for the company that we now have a stable management group to push the company forward. As per 1 January 2014 we have also employed Bjarne Maj to be the head of the new operation areas in Romania.

In general there has also been a reasonable level of staff turnover in the production in 2013. Unrest in connection with optimisation in the cattle production has however entailed that we in this department have had a too high staff turnover, which we are working on reducing.

The future

In 2014, FirstFarms expects to realise an EBIT result of DKK 17-22 million.

The expectation is build on a stable milk price and a stable milk production along with normal harvest yields in the two countries. A little lower crop prices than realised in 2013 are expected.

It is still our assessment that the level of activity in FirstFarms is too low to cover the cost base that is related to being listed on the stock exchange. It is therefore important that the company in the long term can grow more than organically possible and by reinvesting the profit in development of the company.

It is thus the ambition that the company shall grow through mergers or acquisitions, perhaps with other Danish companies, which have invested in our market areas in Eastern Europe. A merger or acquisition can take place through take-over of debt and issuance of new share in FirstFarms A/S. The shares will then after a period be tradable on the market, just as the shares are continuously valuated at the stock exchange.

It is my impression, that for many Danes, who have invested in Eastern Europe, there is a wish for making a valuation of the activities and creating a possibility for conversion of the shares. It can be in connection with generational change or raising of funds. Therefore, I believe that both parties could benefit from a cooperation and that FirstFarms' stock exchange platform can be a strength in that connection.

I will however underline that the operation still has first priority for the management, and that focus must not be relinquished from the operation in connection with any mergers.

Conclusion

Finally, I would like to thank the management and the rest of the employees in FirstFarms for the effort in 2013, and I would like to thank my colleagues in the Board for a good cooperation

Of course, I will also thank the company's shareholders and other interested parties for the interest you are showing towards the company.

Thank you for your attention.