

Report by the Chairman of the Board

at FirstFarms' annual general meeting 24 April 2019

Dear shareholders,

Welcome to FirstFarms' annual general meeting.

Me and CEO Anders Nørgaard are looking forward to taking you through the year and our expectations for the year that is well underway - 2019.

Therefore, I am pleased to see so many attending. We are 80 attending today. Thank you for the attendance.

Risk spread

I do not want to hide, that it is a satisfied chairman for the Board of Directors in FirstFarms, that is giving his report today.

Not only was our 2018-result satisfactory, we were also among the best on earnings and thus on efficiency compared to the colleagues in the industry we compare ourselves with.

This is primarily due to our growth strategy, which, among other things, is about risk spreading. Anders will address this much more, but the strategy of producing on three legs; milk, soil and pigs, has proven to be right.

We are not nearly as vulnerable as our – let me call it – "one-legged" colleagues. When their operation leg is hit declining conjunctures, they are hit 100 percent – FirstFarms is hit only 33 percent.

FirstFarms' three operation branches make us agile and being agile is in my view a prerequisite for running the future agriculture successfully.

FirstFarms can today act in relation to the requirements of the consumers and in relation to the markets in which we operate at any time.

We will also be able to do that in the future.

As shareholder in FirstFarms, the gain may not always be the largest in the short term, but as we have reduced the risk, the possibility for the long-term gain is wider.

FirstFarms invests in soil, animals and property – all tangible assets. No pipe-dreams, no quick-fixes or quick buck. We are careful, considerate, and we have a long-term strategy. We diversify risks so neither our business nor the shareholders' capital will be heavily influenced by local issues.

The result 2018

In the Board of Directors, we look with satisfactory on the result delivered in 2018. Anders will address the number, so I will only give some comments.

We note that the milk price in 2018 was on a reasonable level, which means that the milk was a reasonable business for FirstFarms in 2018.

As for our crops, we had, as in Denmark, a very dry summer in our cultivation areas, but we were still not severely affected as many others, as our production sites are spread to precisely minimise the risks of, for example, drought.

This meant that we have achieved satisfactory yields in the spring crops and acceptable yields in the winter crops.

The drought also resulted in higher crop prices, and this was a contributing factor to secure, that the overall result for the crop production in the three countries we operate in, as a whole, being above the budget.

The largest challenge in 2018 has been the prices in the pig production. Isolated seen, they have not been satisfactory.

The prices on pork meat and thus also the prices on piglets decreased significantly in second half year of 2018, and the prices were still low entering 2019.

When we still can breathe easily, it is due to our risk spread on the three operation branches, which I mentioned initially.

We were hit – but not severely hit.

However, I have with satisfactory noted, that the prices in the first part of 2019 again have started to increase.

This leads me to our expectations to 2019.

Expectation to 2019

I am happy to tell, that we expect a 2019 which will be better than 2018.

- 1) We have expectation that the price on pork meat will come back on a satisfactory level. The year has started reasonable.
- 2) We expect, that the milk price stays on its present reasonable level.
- 3) Finally, we expect the relative high price on grain products to be stable, so we also in 2019 get reasonable prices for our sales crops.

All in all, there is a reasonable picture in all of our operating branches in 2019.

Growth

As you know, FirstFarms is in the market to grow.

Thus, it is still the ambition, that FirstFarms shall grow through mergers or acquisitions, gladly with other Danish agricultural companies, which have invested in our market areas in Eastern Europe.

As you might remember, Dan-Farm in Hungary became a part of FirstFarms in 2017, and in 2018 we would then add another company, Tjekki Invest, with field and pig production.

The purchase was financed with a combination of issuance of new shares and convertible bonds and by cash payment.

The purchases have been a success from the start. Tjekki Invest has contributed positively to the bottom-line in 2018.

We have also continued our purchases of land, especially in East Romania, thus having a solid land portfolio growing steadily.

Latest news on our growth agenda is the conditional agreement of the purchase of Hospoda Invest A/S, which operates a combined pig and plant production in Slovakia.

I hope that next step in this development will be an implementation of the purchase of Hospoda Invest A/S, so our portfolio with pig production will be strengthened, and that we expand the cultivated area and our land ownership with 1,500 hectares.

We constantly explore the possibilities, we also experience a larger interest from other parties than earlier. The models with the purchases of Dan-Farm Holding and Tjekki Invest has shown, how an integration with us can be carried out with success.

Before my final comment, I will just get around the FirstFarms-share, FirstFarms' remuneration policy and FirstFarms' organisation.

The FirstFarms share

The price on FirstFarms' share decreased in 2018 with 14.9 percent from 54.50 at the beginning of the year to 46.40 at the end of the year.

The total smallcap-index, which FirstFarms is a part of, decreased in 2018 with 8.5 percent.

The turnover in the share per business day in 2018 was in average DKK 93,382, which is lower than in 2017, where it was DKK 159,392 per business day.

In 2019, we have again seen an increase in the turnover in the share, and thus the interest for our share. The average turnover YTD has been DKK 143,614 per business day. It is very satisfactory, that the interest for our company is increasing. The share price today is 49.60, an increase of 6.9 percent since the turn of the year.

At the same time, we have also experienced an increasing interest in our corporate bond which can be both with and without conversion right. As I see it, this is due to an increasing liquidity surplus in society which creates the need for alternative placement opportunities. We have for the time being no plans to issue new bonds.

Remuneration

In regards to FirstFarms' remuneration policy, it was approved at the company's general meeting in 2015.

In the recommendations for corporate governance, this is suggested to be discussed on the general meeting at least every 4th year. The submitted proposal is identical to the what was adopted in 2015.

It is also recommended, that the remuneration to the Board of Directors is approved at the general meeting.

The Board of Directors is getting a fixed remuneration, which can be seen in the annual report, and which is also on the agenda for today's meeting.

The company's CEO is paid a fixed salary, a bonus scheme and finally, warrants have been allocated, which have a vesting period, and where a growth is assumed in the share price compared to the market price on the time where the warrant as allocated.

Both the allocated bonus and the allocated warrants are within the frames of the company's adopted remuneration policy.

The organisation

The management group in FirstFarms with Anders in front has again in 2018 been stable.

We have integrated the production in Czech Republic by expanding the areas of responsibility for the members of the management group.

In general, there has also been a low level of staff turnover in the production in 2018.

We feel that the demand for work power is increasing at the companies around us. This places great demands on us as employer. It can however be difficult to attract work power to all types of jobs, and we try to automate monotonous tasks.

FirstFarms DNA

Here at the end, I would like to round what FirstFarms is made of – our DNA which we are proud of.

When we purchase and operate agricultural in Eastern Europe, it is based on our DNA.

We develop individual farms to modern and sustainable businesses that deliver milk, meat and grains of the highest quality to dinner tables all over the world.

Our DNA can be cut down to four headlines:

1. We manage agriculture with knowledge and ambitions
2. We manage agriculture with respect for the soil and animals
3. We manage agriculture with respect for people and surroundings
4. We manage agriculture with respect for our shareholders

We have set the level of ambition high in the formulation of our DNA. FirstFarms' ambition is to be one of Europe's best agriculture in terms of revenue, earnings and efficiency.

The distance between thought and action is short in FirstFarms' stables and fields. When it comes to investing in the agriculture of tomorrow – when we manage the trust and capital our shareholders confide in us – we do it meticulously and with due care.

We have an exchange platform and we are proud of it. It is an obligation and our ambition are to provide you – our shareholders - with an attractive dividend. We recommend this year to distribute DKK 0.53 per share in dividend.

Conclusion

I would like to thank FirstFarms' shareholders and other interested parties for the support and interest you are showing towards the company.

I will also thank the management and all employees in FirstFarms for the effort in 2018 and my colleagues in the Board for a good cooperation.

Thank you for your attention.