

The CEO's review of the accounts

at FirstFarms' annual general meeting on 28 April 2020

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

There are especially 4 areas, that I would like to address:

- 1) FirstFarms had a historical good year in 2019
- 2) Our growth strategy and risk spread come to fruition
- 3) We are well equipped to handle outside threats
- 4) We are well in progress in executing "Vision 2025"

Result 2019

As I said, 2019 was a historical good year for FirstFarms.

We realised a turnover of DKK 328 million
- a prosperity of 32 percent compared to 2018.

The EBITDA result was DKK 95.6 million
– a prosperity of 47 percent

The EBIT result was DKK 48.4 million
- a prosperity of 86 percent

Result of the year after tax constitute DKK 22.4 million.

Our total assets constitute DKK 1,072 million compared to DKK 774 million in 2018.

The result for the year reflects an efficient production in a favourable market, a persistent focus on costs and favourable market conditions for pork.

Growth and risk spread

2019 became the year, where FirstFarms harvested the effect of our growth strategy and where we strengthened our risk spread. Since 2016, the group has grown with three new companies and expanded the production significantly on new locations. In 2019, our company is thus divided on 17 sites in four countries.

The risk spread is thus strengthened on both geography and operation branches.

At the end of 2019, our turnover was divided approx. as follows:

15 percent in Romania
14 percent in Hungary
27 percent in Czech Republic
And 44 percent in Slovakia

In the production, our turnover is divided as follows:

20 percent on milk
30 percent on crops
And 50 percent on pigs – which is an increase due to the favourable market conditions in the pig industry.

Risk spread is a crucial factor for the results we have achieved, and which we will achieve going forward.

Purchase and investment in agriculture is a crucial element in our growth strategy.

We are constantly looking for new possibilities within existing frames or purchase of new farms, where we can utilise the significant economies of scale, and where we have the ability to create a more sustainable production. In 2020, we will however concentrate on consolidation within the existing frames.

Swine fever / COVID-19

African swine fever will continue to be a risk for FirstFarms. Thus, we have also in 2019 strengthened our preparedness to avoid the disease.

Even FirstFarms' pig production is located in areas, where the stock of wild boars and the number of backyard pigs are relatively low, we have the policy that there must always be 3 safety zones on all farms.

When we take over a new company with pig production, we first and foremost strengthen bio security to prevent external infections.

Our organisation takes of course also COVID-19 very seriously.

Our first priority is to keep colleagues and surroundings safe and sound. Furthermore, we have focus on securing our animals and the production.

We continuously take the necessary and responsible measures that helps to ensure this.

There *may* come liquidity effects that we have not imagined. So, we use due care and protect our business in the best possible way for the benefit of our shareholders.

The organisation

The distance between thought and action is short in FirstFarms' stables and fields. And it will continue to be so.

Our local COO's have a big responsibility and many areas of responsibility, as they are the ones best knowing their production and the local demands best.

Our employees are the core for FirstFarms' development and success. As pr. 31 December we had 309 engaged employees – which is 30 more than the year before.

2020

As follow up on a strong 2019, we expect at stable 2020, where we will consolidate the production within the present business areas.

Optimisation of milk production and pig production along with improvement of bio security will be in focus.

We expect to expand the crop production in Romania. Just as we are working on expanding our stock facilities for crops in several countries.

In 2019, we had focus on reassessing and adapting our group strategy "Vision 2025", which is adapted to the challenges and possibilities we are facing.

Vision 2025” includes four defined areas, which we will focus on in our strategic work the coming years: Development of organisation, Business development, Sustainability and Improvement of efficiency.

We are already well in progress with executing ”Vision 2025”.

Conclusion

I hope, that I have given you an insight in our business and plans for the future.

Finally, let me repeat my four key points from the opening:

- 1) FirstFarms had a historical good year in 2019
- 2) Our growth strategy and risk spread come to fruition
- 3) We are well equipped to handle outside threats
- 4) We are well in progress in executing ”Vision 2025”

I am really pleased to note that FirstFarms has a strong foundation and a healthy economy.

We are in a steady progress, have an ambitious growth strategy and operate a responsible business.

Thank you for your attention.