

Report by the Chairman of the Board

at FirstFarms' annual general meeting 25 April 2023

Dear shareholders,

We are 56 shareholders present here today in Billund.

I shall inform that we are live streaming from the general meeting. Therefore, also a welcome to you watching online.

Anders Nørgaard and I have been looking forward to today, where we in our reports will share our reflections about the 2022- result with you.

We will also put words on our expectations to 2023 and get around some of the projects and initiatives, that have been put into action, and the considerations and thoughts we have to secure FirstFarms' continued development and growth. And development and growth that must secure a continued value creation for us shareholders.

THE WAR

When I gave my report a year ago, I had to start by talking about Russia's attack on Ukraine and the consequences for FirstFarms.

The war is still going on, and therefore I want to start again with the meaning of the war for FirstFarms and for our employees.

FirstFarms is not directly affected by the war when we talk about operations and finances, but we remain humanly and emotionally affected. We have many employees from Ukraine, who works in the production as well as in the administration.

I am pleased that our managers and employees at FirstFarms continue to provide help and support to their Ukrainian colleagues and to the Ukrainian people.

We will continue to support and help the best we can.

THE 2022-RESULT

The result in 2022 is without comparison the best we have delivered since we were listed on the stock exchange in December 2006.

Let me shortly present the key numbers for 2022.

- We delivered a turnover of 418 mDKK, which is 48 mDKK more than in 2021
- EBITDA was 147 mDKK, which is a progress of 33 mDKK
- EBIT was 96 mDKK – which is 26 mDKK higher than the year before
- And we delivered a result before tax of 84 mDKK compared to a result of 46 mDKK before tax in 2021

We have thus delivered progress on all significant financial parameters, and it is the 7th year in a row, that we have the pleasure to present profit increase to the shareholders.

The result is partly driven by external factors as record high milk and crop prices as well as reasonable pig prices. And partly due to factors we can contribute to ourselves, i.e., high efficiency in all branches of operation, high productivity in the milk- and pig production, risk spread and skilled employees. I will return to the latter. Anders will elaborate on the other elements shortly.

The 2022-result is very satisfactory, and the Board of Directors has thus recommended to the general assembly, that dividend of 0.95 DKK per share is paid to the shareholder – a total distribution of 9 mDKK.

GREEN TRANSITION

There are two initiatives in particular initiated in 2022 that are on my mind. Two initiatives of significant importance for FirstFarms going forward and which at the same time reflect the direction we are going and the new opportunities we take when they arise.

One thing is the transition to green energy – our 'license to operate' so to speak. The second is our acquisitions of shares in Agri Invest.

The energy and raw material crisis, which occurred just about the same time as Russia's attack on Ukraine, were the events that made our considerations and plans for transition to green energy take shape and speed. I shared our thoughts and plans with you at the last general meeting. Subsequently, the effort was initiated, and this year it is being intensified.

The main purpose is to make FirstFarms as energy independent as possible in relation to external factors, which we have no control over. And it shall happen as fast and responsible as possible. In the long term, it is the thought to make the green energy a fifth business leg and thus make green energy to another element in our risk spread.

We are well underway with placing larger and smaller solar cell panels on suitable storage and stable buildings - where it makes sense and where we can get permission.

Solar cell panels on larger roof surfaces are a good start, as there is a very short time from deciding to setup and to when we are producing energy.

We are also investigating the possibility of setting up solar cell panels on fields, but partly it takes longer to get the necessary permits, and partly it takes time to be connected to the local supply networks.

Last but not least, it is also a balancing act and a consideration of whether a given field area serves us best with crops or with solar cells.

Biogas is another focus area, and we have come a long way with our thorough investigations into the possibilities for starting biogas production. If we start a production, it will at the earliest be during 2024. Wind energy and other alternative energy forms are also in our consideration.

We must not be blind to the fact that there are challenges with the transition to green energy. It requires large investments, know-how and time. But we believe the value is far greater in the long run than the challenges we face. The transition is also necessary – and from my point of view - a duty we have as a responsible company.

There is also a reality called the public opinion and the political winds. The agriculture is under pressure. Greater demands are placed on our industry - and on our behaviour, both from the consumers, the neighbours and from political side. We cannot and must not sit idly by.

FirstFarms contributes to the green setup because it makes sense for the climate, for the nature, for the community and for us. We have our heart in our green transition, but it is also our 'license to operate', as I said a little while ago. There is no other way.

AGRI INVEST

The second initiative I would like to mention is our ongoing acquisition of shares in Agri Invest. We started our acquisition on 14 July 2022, where we acquired 1.7% of the share capital in the company, which owns 10,500 hectares of land in Romania and are owned by 270 Danish farmers.

Since then, there have been more acquisitions, and today we are the largest shareholder in Agri Invest with a share of 10.1%. This is equal to an achieved indirect ownership of 1,065 hectares, out of the 10,500 hectares of land cultivated with conventional crops at 3 locations in Romania.

The current share of ownership is satisfactory, and we have no plans for further acquisitions at the moment, but we will consider it again at a later date if the company continues its positive development. The potential is there.

Agri Invest has announced that they expect a 2022 result of 35–40 mDKK, which is almost on par with their record result in 2021.

I highlight our acquisition of shares in Agri Invest because it is a good example of us living up to our promise to see new opportunities and seize them when they arise. The acquisition of shares is also in line with our strategy of continuous purchase, optimisation and sale of land.

EXPECTATIONS TO 2023

2023 is almost 4 months old and I am happy to report that we are off to a good start.

We expect to deliver a satisfactory result in 2023 with an EBITDA in the level of 90-120 mDKK and an EBIT between 45-75 mDKK.

Not as good as in 2023 – and perhaps some of you may think – conservative - given that last year we upgraded our expectations several times.

The truth is that nobody knows tomorrow - and certainly not in these times. It is our expectation that this year we will be challenged by high purchase prices for large parts of the production, a generally increasing salary level and an unpredictable sales market. The 2023 result is not least dependent on the size of the harvest and the settlement prices for grain, milk and pigs.

But it is also a fact that our business model is build to navigate turbulent and changeable markets and that it has proven its worth – also in 2022.

We therefore expect a satisfactory 2023, and we will not deviate from our growth and investment strategy this year either.

One of the major tasks in 2023 will be to make the right selections and opt-outs. We have succeeded this in recent years. We are in good and controlled development. FirstFarms is in a really good place and has a solid and healthy foundation to build on.

The goal is still to develop into one of Europe's best operated and most profitable companies in the area of agriculture and food products.

THE DEVELOPMENT IN THE SHARE

In the last part of my report, let me talk about the development in the FirstFarms-share and the remuneration of the management - including the allocation of warrants.

The price of FirstFarms' share increased in 2022 with 7.8% from 71.6 at the beginning of the year to 77.2 at the end of the year. The turnover in the share per business day was in average 317 tDKK in 2022, which is an increase of 7.5% compared to 2021.

The market has positively acknowledged the 2022 financial accounts. The price was yesterday 85.8, which is an increase of 11% year to date.

REMUNERATION AND INCENTIVE PAYMENT

FirstFarms' overall guidelines for incentive remuneration for The Management can be found in the Remuneration Report and the Remuneration Policy.

The Board of Directors receives a fixed remuneration, which appears in both the annual report and the Remuneration Report.

The allocated bonus to the company's CEO and the warrants allocated to the company's two top management layers are within the framework of the company's general guidelines for incentive remuneration.

I would like to elaborate on the rationale for allocating warrants to the company's managers.

Warrants are an agreement which gives the managers of FirstFarms a right - not an obligation - to subscribe for new shares at a future time at the current price that applies when the warrants are allocated.

The purpose of warrants is to create value for both shareholders, the company and the company's managers.

Warrants motivate the company's skilled managers to make the special and long-term effort required to create good results.

Good results increase the company's value for the benefit of the shareholders and at the same time make it possible to make the necessary investments to ensure the company's continued development and growth.

We have skilled managers throughout the organisation who have been able to ensure high efficiency in all branches of operation and in all locations, so that we have increased earnings and met our own requirements for continued growth. Their efforts and leadership skills are one of the main reasons for the good 2022 result.

The result and the great effort all employees put in to achieve the result, also resulted in us awarding all employees in the company with a bonus of up to 1,500 EUR in November.

On behalf of the Board of Directors, I would like to say a big thank you to Anders Nørgaard and all employees in FirstFarms for an extremely good effort and great commitment in 2022.

Finally, I would also like to thank FirstFarms' shareholders and other business partners for the trust, interest and support you show the company.

I would also like to thank the rest of the Board of Directors for a good cooperation.

Thank you for your attention.