

**Company announcement no. 26/2020****2 October 2020****FirstFarms A/S rewards great effort and secures future commitment**

**The entire management in Denmark and abroad is offered warrants and are thus, eventually, entitled to subscribe shares at a pre-agreed price.**

With the offer about warrants, FirstFarms' Board of Directors wishes to reward an extraordinary effort and to secure the future loyalty and great commitment of the managers and key employees in question. Thus, we wish to secure local commitment and co-ownership in the company at our locally residing management.

"We have a talented management, who has been able to put together a good team on all levels and all locations in the organisation. We have been able to increase earnings and we are growing. We must continue to do so. The goal is to become one of Europe's most well-run and attractive agricultures. If we want to reach our goal, we must maintain, motivate and further engage our skilled managers and key employees. Among other things, we are doing this by offering warrants." Says chairman of the Board of Directors Henrik Hougaard.

Recently, FirstFarms presented a reasonable half year account, which gave reason to maintain the expectations for 2020;

- An EBITDA result in the level of DKK 110-135 million
- An EBIT result of DKK 60-85 million

In 2019, an EBITDA of DKK 96 million and EBIT of DKK 48 million was realised.

"We shall continue the good and healthy development of the company, where we based on Danish agricultural management and roots in the local community acquires, develops and runs agricultures with focus on risk diversification, so we secure our investors attractive dividend both short and long term," says Henrik Hougaard.

FirstFarms closely follows the situation on the nervous pig market, after findings of swine fever in wild boars in Germany. The prices of piglets and slaughter pigs are decreased significantly in Europe after this, but FirstFarms expects that the market prices will stabilise again on a higher level within 2-3 months.

The Board of Directors has decided to utilise its authorisation in section 5.2.C in the company Articles of Association to issue 62,000 warrants, which each gives right to subscribe one share of nominal DKK 10 in the company. Thus, the issued warrants give right to subscribe totally up to nominal DKK 620,000 shares in the company. The Board of Directors has at the same time made decision about the related capital increase.

The utilisation price of the allocated warrants is DKK 51.85 per share of nominal DKK 10 with a premium of 2 % p.a. calculated till notice is given about utilisation. The issued warrants are allocated cost-free with 10,000 pcs. to the company's CEO and 52,000 pcs. to other managers and key employees. The price is determined based an assessment of the total salary package for the employees.

The allocated warrants can be utilised in a period of 4 weeks from the company's publication of the interim financial report for the period 1 January 2024 – 31 March 2024.

If the employee resigns as bad leaver, the unutilised warrants will lapse immediately without the employee being entitled to remuneration and/or compensation. If the employee resigns as good leaver, the employee will retain the right to the allotted warrants.

The issued warrants are estimated to have a total market value of DKK 854,820, corresponding to approx. DKK 233,000 per year in the period up to a possible utilisation. The market value is calculated based on the Black-Scholes model with a volatility of 20 %, a risk-free interest of 0 % p.a. and a share price of 64.00.

The Board of Directors decision is entered in item 5.2.C (a) in the company's Articles of Association with appendix 5.2.C (a), which includes the terms for the allocated warrants.

Best regards,  
**FirstFarms A/S**

For further information:

Please visit our website [www.firstfarms.com](http://www.firstfarms.com) or contact chairman of the Board of Directors Henrik Hougaard on telephone +45 75 86 87 87.

About FirstFarms:

*FirstFarms is a Danish stock exchange listed company, which purchases and operation agriculture in Eastern Europe. We develop the individual farms to modern businesses that deliver milk, meat and grains of the highest quality to the local food processing companies. FirstFarms contributes to, and approves, the development towards a more sustainable agriculture.*