

## **FirstFarms' allocation of warrants to the company's Executive Management and managers**

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

The purpose of warrants is:

- To acknowledge the value generated by the company's managers
- To ensure long-term value creation for the company's shareholders
- To motivate the individual manager to continue to make an optimal effort in the future
- To retain the Company's managers whose knowledge, experience and work are a condition for the Company's continued development and growth.

Thus, it is in the interest of both the warrant owner, the company and the shareholders that the price of the share at the time when the subscription right can be utilised is significantly higher than the current price was when the warrants were allocated.

Chairman of the Board of Directors Henrik Hougaard says:

*"The purpose of allocating warrants is to create value for 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 shareholders, and at the same time make it possible to make the necessary investments to ensure FirstFarms' continued development and growth."*

Warrants are part of a pay package, but not a direct bonus or supplement to the salary. Warrants are on the contrary an opportunity for a potential future good investment.

There is no guarantee of gain in connection with the utilisation of warrants. If the manager utilises the warrants allocated and subscribes for shares in the company, the manager will subsequently have the same opportunity as other shareholders in his investment.

Currently, 337,000 warrants have been allocated, which correspond to 3.0% of FirstFarms' total share capital, and which run until 2027.

All employees are free to buy and sell shares in FirstFarms when the insider rules are complied with. If managers choose to utilise allocated warrants, they will therefore, like other shareholders, be free to trade the share. If a manager chooses to terminate his or her terms of employment, the right to utilise warrants lapses.

*The above is a brief summary of the background for FirstFarms' allocation of warrants. Rules, conditions and further information can be found in FirstFarms' annual reports, remuneration policy and remuneration reports.*