

Farmer Business Developments plc

2022 Annual General Meeting

**Wednesday, 15th June 2022
Irish Farm Centre
Dublin**

Chairman's Presentation to Shareholders

**Padraig Walshe
Chairman**

2021 Highlights

- **€11.64m Profit before Tax**
- **Strong operating performance by FBD Holdings plc**
- **FBD Hotels & Resorts:**
 - Recovery of Leisure on re-opening mid-2021
 - Record Property sales in La Cala
 - March 2022 - Purchase of Killashee Hotel for €25m

For Shareholders' Approval at this AGM

- **7c Dividend**
- **€2m Voluntary Share Buy-back at €1.53/share**

Overview

- **Analysis of 2021 Group Results**
- **FBD Holdings plc Review**
- **Review of FBD Hotels & Resorts' performance**
 - By CEO David Kelly
- **Other Investments**
 - Including Berlin
- **Dividend**
- **Proposed Voluntary Share Buy-back**

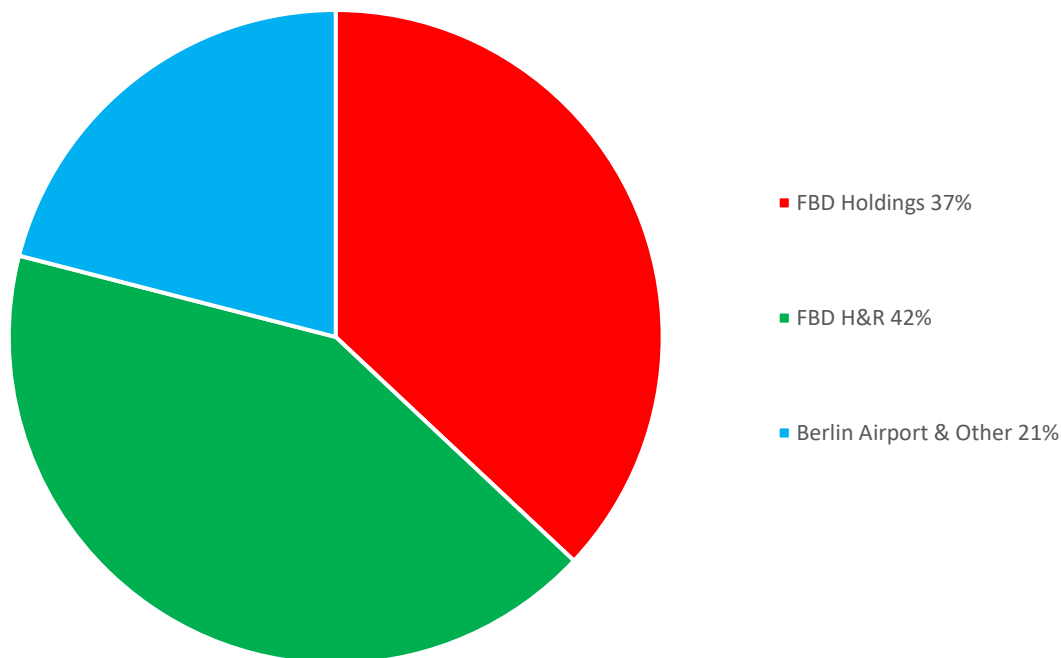
2021 Results: Divisional Summary

- **FBD H&R EBITDA: €13.1m** (2020: Loss €1.6m)
- **Bulberry Berlin (61% stake) EBITDA: €59k** - no land sales
 - 2020: €56.3m Bulberry profit after significant sales
- **Investment mark-up: €3m** (2020: €1.7m)
- **Interest: Income of €1.1m offset by €1.6m expense**
 - Income mainly from 5% FBD LN. Expense reflects lower Group debt
- **Group Profit before tax: €11.6m** (2020: €50.7m)
 - Before paying interim dividend of 10c per share costing €5.3m
- **Shareholders' Funds attributable to Owners: €231.0m**
 - 2020: €227.9m

Shareholders' Funds €231m at Dec. 2021

Up €3.1m from €227.9m at Dec. 2020

Investment Allocation





FBD Holdings plc I

- **Strong operating performance for 2021**
 - €110.4m Profit before Tax (2020: €4.8m)
 - €1/share Dividend, after 2 years' suspension due to COVID-19
- **Positive underlying profitability**
 - Solvency capital ratio of 214%
 - Shareholders' funds grew 23% to €472m and NAV/share to €13.38
- **Removal of uncertainty on Business Interruption claims**
 - Arising from quantum hearing judgment & recoveries from reinsurers
- **Focus on core Farming customers, businesses & retail**
 - Importance of customer relationships & underwriting discipline



FBD Holdings plc II

- **We have €21m invested in FBD 10 year Loan Notes**
 - In 2021, we added €1m at attractive 5% coupon
- **We retain our 24.2% stake in FBD**
 - Share price closed 2021 at €7.34 (down from €7.50 at end 2020)
 - Our equity valued at €65m at end 2021
 - Plus €21m Loan Notes = €86m or 37% of Shareholders' Funds
- **Our policy is to hold FBD as a long-term investment**
 - For both Dividend income & Capital Appreciation - business growth
 - Reminder: 10% discount on FBD Insurance – 10,000+ shares

FBD Hotels & Resorts

Farmer Business Developments plc



FAITHLEGG



THE
HERITAGE
∞



KILLASHEE
HOTEL • SPA • LEISURE



La Cala
GOLF HOTEL SPA
MIJAS  SPAIN


Sunset
Beach Club



Farmer Business Developments plc

New Willy Brandt Airport, Berlin



Berlin I

– Bulberry Properties 61% owned

- **Bulberry owns 33,000 sqm (8.2ac) of prime development land**
 - Very attractive to developers because of growth pressures in Berlin, proximity to new Willy Brandt airport & excellent transport links
 - Land is carried in our consolidated accounts at €13m
- **Bulberry has €42m of shareholders' equity**
 - We value our 61% stake at €26m
 - Our 3rd largest investment – representing 11% of Shareholders' Funds

Berlin II

– Bulberry Properties 61% owned

- **No land sales in 2021 due to pandemic uncertainty**
 - COVID concerns have now receded
 - Berlin air traffic numbers are approaching 2019 levels
- **2022 Russian war in Ukraine is a new concern**
 - Bulberry's strategy is to adopt a “wait and see” approach to ensure we realise full value
 - We will not rush into a sale

Berlin III

– Bulberry Properties 61% owned

- **Our exit strategy for Berlin**
 - Dispose of remaining prime plot when market settles
 - Confident we can achieve a substantial premium on €13m carrying value in consolidated accounts
 - Accumulate all cash receipts in Bulberry
 - Pay all taxes and costs
 - Liquidate Bulberry & distribute cash to Bulberry's shareholders, including ourselves

Farmer Business Developments plc

**View of Bulberry's final
33,000sqm plot at Schönefeld
Berlin**



Summary of smaller investments

- **Carried at €25.4m**
 - Tiger Global US private equity funds €7m
 - International equities via investment funds €5.2m – through Davy
 - Other equities, private equity & real estate €7m
 - Covered bonds €5m – cash alternative
 - Irish venture capital €1.2m – managed by Investec
- **Net debt of €5m (Developments) & €1.5m in other net assets**

Dividend

- **Board is recommending 7c per share**
 - Interim dividend of 10c paid in Nov 2021
 - **Total of 17c** worth €1,763 before DWT to average shareholder with 10,369 shares
- **Payable on 28th June 2022**

Proposed Voluntary Share Buy-back I

- **Concern over sellers' difficulties in finding buyers**
 - Grey market prices at 85-90c per share over past 2 years
 - Board wants to find a balanced & sustainable solution
 - Have taken professional advice from Deloitte – Martin Reilly, Head of Financial Advisory is present
- **Board is proposing a Voluntary Share Buy-back scheme**
 - Gives shareholders the option to sell & realise value
- **Buy-back price would be €1.53 per share**
 - 75% above average grey market price of 85-90c in past 2 years
 - Price represents 35% of Balance Sheet value attributable to shareholders, less amount proposed in dividend payments

Proposed Voluntary Share Buy-back II

- **Proposal requires at least 75% approval at AGM**
 - **main features**
 - Company will commit a max of €2m to scheme
 - At buy-back price of €1.53 per share
 - If oversubscribed, preference for first 10,369 shares offered by each shareholder (ie no. of shares held today by original investor who invested £50 in FBD in late 1960s), then a scale back applied.
- **Timeline**
 - 20 June - letter to all shareholders with application form
 - 22 July – applications close
 - 19 August – payment for shares sold following verification & any scale-back

Proposed Voluntary Share Buy-back III

- **Buy-back has advantages for all shareholders**
 - Board will cancel all shares bought back
 - Shareholders who wish to sell will get a much better price
 - Remaining shareholders will see the value of their holdings increase
- **Board will review operation of scheme**
 - Objective is that exiting shareholders can achieve a reasonable price
 - We will intervene again when necessary
 - Reserve the right to review in the event of abnormal financial/other circumstances
- **Company to launch in-house share trading service in Sept**
 - Following conclusion of Buy-back scheme
 - Details to be published in Sept on www.FarmerBusinessDevelopments.ie

**Now we open the meeting to the floor
for comments and questions**

Thank you

Resolutions

Record of proxies available to the Chairman & of Withheld votes

Resolution 1

To consider the Directors' Report, Auditor's Report & Financial Statements for the year ended 31 December 2021 and to review the Company's affairs.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,972,490	99.7	20,549	0.3	0

Resolutions

Resolution 2

To confirm a dividend on the 14% non-cumulative preference shares.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,990,539	00.0	0	0.0	2,500

Resolutions

Resolution 3

To confirm a dividend on the 11% non-cumulative preference shares.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,926,596	99.5	40,144	0.5	26,299

Resolutions

Resolution 4

To declare a dividend of 7 cent on the ordinary shares.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,947,096	99.7	23,894	0.3	22,049

Resolutions

Resolution 5A

To elect as a Director:

Mr Jer Bergin of Springfield, Ballacolla, Portlaoise, Co Laois.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,954,103	99.8	16,825	0.2	1,562

Resolutions

Resolution 5B

To elect as a Director:

Mr TJ Maher of Monslatt, Killenaule, Thurles, Co Tipperary.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,954,428	99.8	13,250	0.2	4,812

Resolutions

Resolution 6

To approve the remuneration of the Directors.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,942,092	100.0	3,575	0.0	47,372

Resolutions

Resolution 7

To authorise the Directors to fix the remuneration of the auditors.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,944,526	99.5	42,770	0.5	5,743

Resolutions

Resolution 8

To consider and, if thought fit, pass a special resolution to authorise the Company to enter into a share purchase scheme providing an option to the ordinary shareholders to sell ordinary shares back to the Company.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,912,496	99.8	18,612	0.2	61,931