

# PRFOODS

## AS PRFoods

Consolidated Unaudited Interim Report

1<sup>st</sup> quarter and 3 months of 2022/2023  
(translation from the Estonian original)

2022/2023

1<sup>st</sup> QUARTER & 3 MONTHS

# PRFOODS

Business name	<b>AS PRFoods</b>
Commercial registry code	<b>11560713</b>
Address	<b>Pärnu mnt 141, Tallinn, Estonia</b>
Phone	<b>+372 452 1470</b>
Website	<b>prfoods.ee</b>
Main activities	<b>Production and sale of fish products Fish farming</b>
Reporting period	<b>1 July 2022 – 30 September 2023</b>

## TABLE OF CONTENTS

CORPORATE PROFILE.....	4
MANAGEMENT REPORT.....	7
OVERVIEW OF ECONOMIC ACTIVITIES.....	7
MANAGEMENT AND SUPERVISORY BOARDS.....	13
SHARE AND SHAREHOLDERS.....	15
BOND AND BONDHOLDERS.....	16
CONDENSED INTERIM ACCOUNTING REPORT.....	19
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	19
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME.....	20
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	21
NOTES TO THE INTERIM REPORT.....	22
NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES.....	22
NOTE 2. CASH AND CASH EQUIVALENTS.....	22
NOTE 3. RECEIVABLES AND PREPAYMENTS.....	23
NOTE 4. INVENTORIES.....	23
NOTE 5. INTEREST-BEARING LIABILITIES.....	23
NOTE 6. PAYABLES AND PREPAYMENTS.....	24
NOTE 7. EQUITY.....	24
NOTE 8. RELATED PARTY TRANSACTIONS.....	25
NOTE 9. ASSOCIATE COMPANIES.....	26
NOTE 10. SUBSIDIARIES.....	26
MANAGEMENT BOARD'S CONFIRMATION TO THE INTERIM REPORT.....	28

# CORPORATE PROFILE

AS PRFoods ("Group") is a company engaged in fish farming, processing and sales. The Group's shares are listed on the main list of NASDAQ OMX Tallinn Stock Exchange since 5 May 2010 and its bonds are listed on the NASDAQ Tallinn bond list since 6 April 2020.

AS PRFoods subsidiary Saaremere Kala AS signed an agreement on 09.02.2022 to transfer 100% shares of Heimon Kala Oy to Nordic Fish Oy. The transaction of the transfer of shares of Heimon Kala Oy has been completed on 07.03.2022, i.e. the shares of Heimon Kala Oy have been transferred to Nordic Fish Oy. Shares of Överumans Fisk AB were also sold on 20.09.2022.

AS PRFoods will take the future direction of the development of fish farming in Estonia, with the aim of becoming the largest fish farmer in the region.

Since the acquisition of John Ross Jr. and Coln Valley Smokery in the summer of 2017, the Group has sales experience to 37 countries in Europe, North and South America, and Asia.

Main activities of the Group are fish farming and manufacturing of fish products. The main products are salmon and rainbow trout products. Approximately 2/3 of the raw fish used in the Group's rainbow trout production comes from the Group's fish farms in Swedish lakes and from coastal waters of Saaremaa in Estonia, assuring the highest quality and reliable deliveries. The rest of raw fish is purchased mainly from Norway and Denmark. Fish products are manufactured in two modern factories in Saaremaa (Estonia) and in Aberdeen (Great Britain).

Products of the Group are sold as leading brands in their respective operating market and the primary focus is on higher value-added premium products, increasing thereby the profitability of the company.

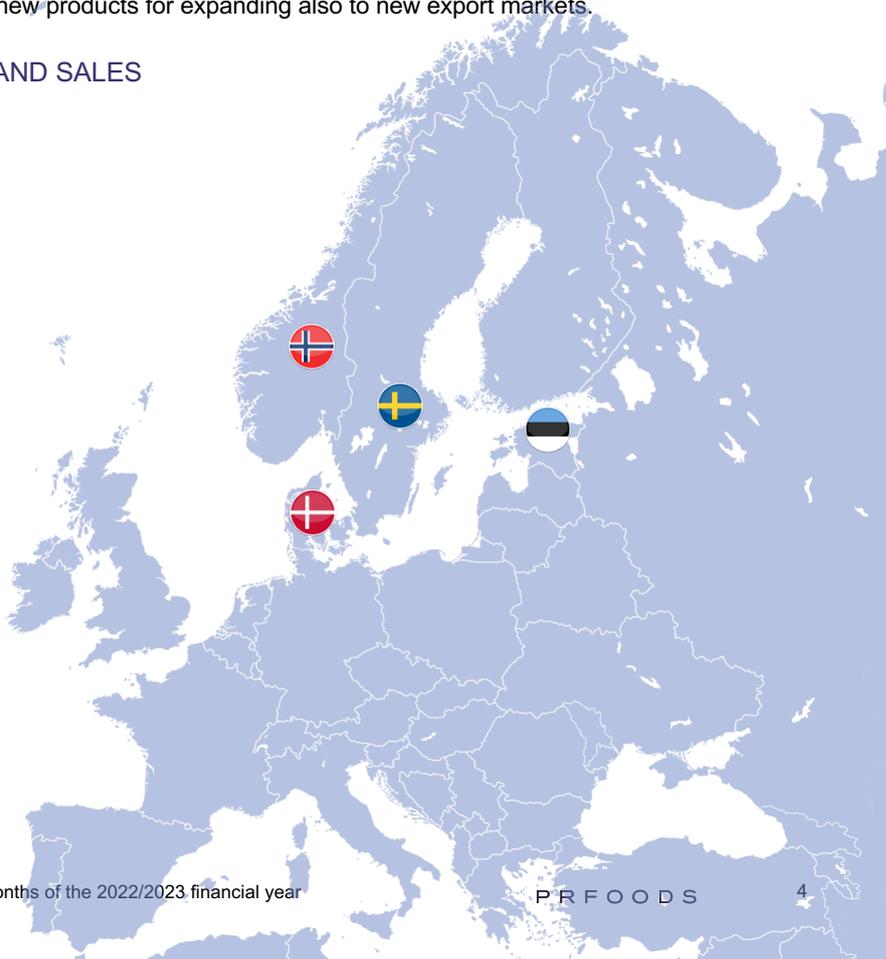
AS PRFoods plans to introduce a new brand this year, which emphasizes our Saaremaa origin.

We process mostly rainbow trout and salmon in our factories, in smaller quantities also whitefish, perch, pikeperch, vendace, Atlantic and Baltic herrings. We always keep the fish in a place of honour – both when farming and processing it – that is why we raise most of our red fish ourselves and smoke it with alder chips in the traditional way. As our product range is quite wide, a favourite product can be found for the whole family – lightly salted trout slices that have won the title of the Best Fish Product in Estonia, children's favourite trout cutlets or trout roe for a more festive occasion.

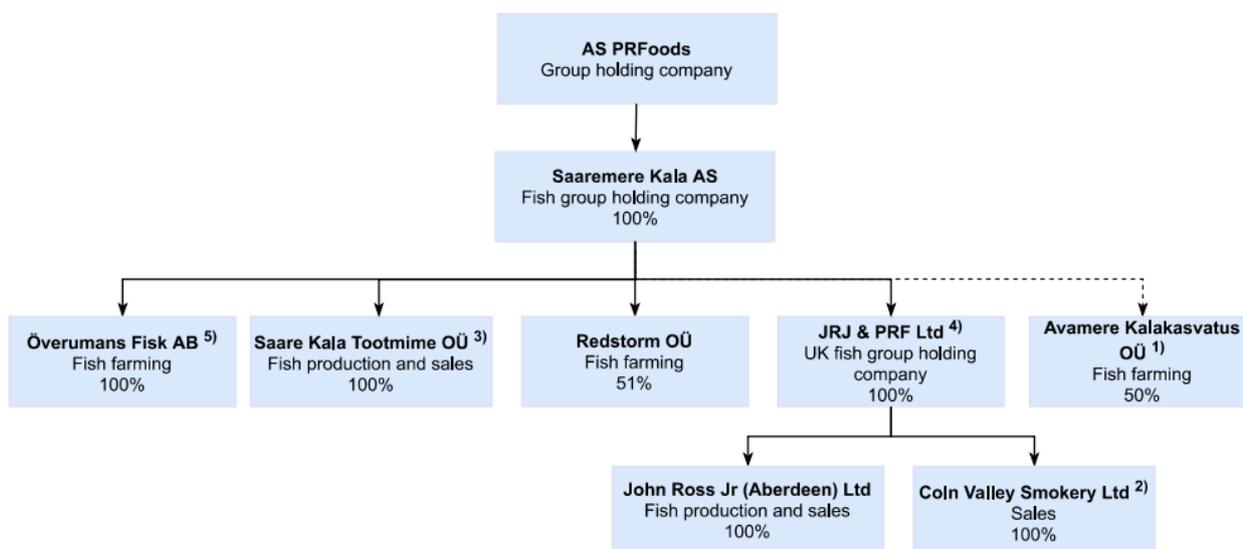
The Group is actively involved in developing new products for expanding also to new export markets.

## THE GEOGRAPHY OF PRODUCTION AND SALES

<b>Fish farming</b>	Sweden Estonia
<b>Purchase of raw fish</b>	Sweden Norway Denmark
<b>Production</b>	Estonia Great Britain
<b>Sales</b>	Great Britain Estonia



## GROUP STRUCTURE AS AT 30.09.2022



1) The Group does not consolidate Avamere Kalakasvatus OÜ as it holds neither dominant nor significant control over the company

2) 64% of Coin Valley Smokery Ltd shares owned by JRJ & PRF Ltd and 36% by John Ross Jr (Aberdeen) Ltd

3) From 01.01.2021 Vettel OÜ continued its activities under the business name Heimon Kala OÜ

4) Saaremere Kala AS acquired 15% of the shares of the holding company JRJ & PRF Limited and holds 100% of JRJ & PRF Limited shares

In addition, AS PRFoods holds a 20%-share of AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology).

The most significant trademarks of the Group are “PRFoods” and “John Ross Aberdeen”.

# MANAGEMENT REPORT

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# MANAGEMENT REPORT

## OVERVIEW OF ECONOMIC ACTIVITIES

### MANAGEMENT COMMENTARY

In 2022 we have sold both Finnish and Swedish business units. First was sold because of continued losses and Sweden was sold to reduce overall debt level. As compared to last year, the biggest difference is that we no longer have sales from Finnish production units, in fish farming we no longer hold Finnish and Swedish assets and also fish harvesting was postponed until Q2.

In fish farming as said, harvesting was postponed until Q2. Fish products saw significant decline to overall market in demand for smoked fish products due to historically highest raw material prices and this is reflected in results. In Q2 we see decline in fish prices, and recovery of demand, but overall consumption per country is lower by 30-50%. UK unit performs according to expectations, but decline in private label demand in Finland, has negative impact on results of Saare Kala Tootmine OÜ. Swedish fish farming was sold at the end of Q1 and as per agreement, final payment for the shares will take place in 2023. Extraordinary profit in Q1 was result of sale of Swedish unit.



Sincerely,

Indrek Kasela



UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 1<sup>ST</sup> QUARTER OF THE FINANCIAL YEAR 2022/2023 COMPARED TO THE 1<sup>ST</sup> QUARTER OF FINANCIAL YEAR 2021/2022

- Unaudited consolidated revenue 4,61 million euros (1Q 2021/2022: 14,21 million euros), a decrease by 67,56%
- Negative impact from revaluation of fair value of biological assets 0,17 million euros (1Q 2021/2022: positive impact 0,8 million euros).
- EBITDA from operations -0,32 million euros (1Q 2021/2022: -0,79 million euros)
- EBITDA -0,49 million euros (1Q 2021/2022: -0,009 million euros)
- Operating loss -0,81 million euros (1Q 2021/2022: operating loss 0,66 million euros)
- Net profit 0,87 million euros (1Q 2021/2022: net loss 0,74 million euros)

SUMMARY OF FINANCIAL RESULTS: 1<sup>ST</sup> QUARTER OF 2022/2023 COMPARED TO 1<sup>WT</sup> QUARTER OF 2021/2022

mIn EUR	1Q 2022/2023	1Q 2021/2022	Change, mIn EUR
Sales	4,6	14,2	-9,6
Gross profit	0,51	0,77	-0,26
EBITDA from operations*	-0,32	-0,79	0,47
Revaluation of bioassets	-0,17	0,82	-0,99
EBITDA	-0,49	-0,01	-0,48
Depreciation and amortisation	-0,33	-0,66	0,33
Operating profit (loss)	-0,81	-0,66	-0,15
Financial income/expense	1,70	0,00	1,7
Net profit (loss)	0,87	-0,74	1,61

\* before one-offs and fair value adjustment of bioassets



## KEY RATIOS – INCOME STATEMENT

mIn EUR unless indicated otherwise	1Q 2022/2023	2021/2022	1Q 2021/2022	2020/2021	1Q 2020/2021
Sales	4,6	42,1	14,2	58,7	18,5
Gross profit	0,5	3,1	0,8	5	2
EBITDA from operations	-0,3	-1,7	-0,8	-1,2	0
EBITDA	-0,5	-2,1	0,0	-1,3	-0,9
EBIT	-0,8	-4,2	-0,7	-3,9	-1,4
EBT	0,9	-8,2	-0,6	-5	-1,8
Net profit (loss)	0,9	-8,2	-0,7	-5,2	-1,7
Gross margin	11,1%	7,44%	5,4%	8,50%	10,80%
Operational EBITDA margin	-6,9%	-4,06%	-5,5%	-2,10%	0,10%
EBITDA margin	-10,6%	-5,05%	-0,1%	-2,10%	-4,6%
EBIT margin	-17,7%	-9,93%	-4,7%	-6,60%	-7,8%
EBT margin	-19,0%	-19,52%	-4,6%	-8,50%	-9,80%
Net margin	18,8%	-19,37%	-5,2%	-8,80%	-9,20%
Operating expense ratio	-24,2%	-17,11%	16,3%	16,10%	14,30%

EBITDA from operations = Profit (Loss) before one-offs and fair value adjustment of bioassets

EBITDA = Profit (Loss) before interest, tax, depreciation and amortisation

EBIT = Operating profit (loss)

EBT = Profit (Loss) before tax

Gross margin = Gross profit / Net sales

Operational EBITDA margin = EBITDA from operations / Net sales

EBITDA margin = EBITDA / Net sales

EBIT margin = EBIT / Net sales

EBT margin = EBT / Net sales

Net margin = Net earnings / Net sales

Operating expense ratio = Operating expenses / Net sales

## KEY RATIOS – BALANCE SHEET

mIn EUR unless indicated otherwise	30.09.2022	30.06.2022	30.09.2021	30.06.2021	30.09.2020
Net debt	18,8	24,7	24,2	20,9	21,5
Equity	8,0	8,1	14,9	15,8	18,5
Working capital	0,7	-3,2	-2,6	-2,9	-4,4
Assets	33,1	38,9	56,0	55,3	57,4
Liquidity ratio	1,1x	0,7x	0,9x	0,9x	0,8x
Equity ratio	24,1%	20,7%	26,7%	28,6%	32,3%
Gearing ratio	70,2%	75,4%	61,8%	56,9%	53,7%
Debt to total assets	0,8x	0,8x	0,7x	0,7x	0,7x
Net debt to operating EBITDA	-59,3x	-14,5x	-14,3x	-16,9x	12,8x
ROE	7,6%	-68,5%	-26,7%	-28,7%	-7,0%
ROA	2,0%	-17,3%	-7,9%	-9,1%	-2,4%

Net debt = Short- and long-term loans and borrowings – Cash

Working capital = Current assets – Current liabilities

Liquidity ratio = Current assets / Current liabilities

Equity ratio = Equity / Total assets

Gearing ratio = Net debt / (Equity + Net debt)

Debt to total assets = Debt / Total assets

Net debt to operating EBITDA = Net debt / EBITDA from operations for the trailing 12 months

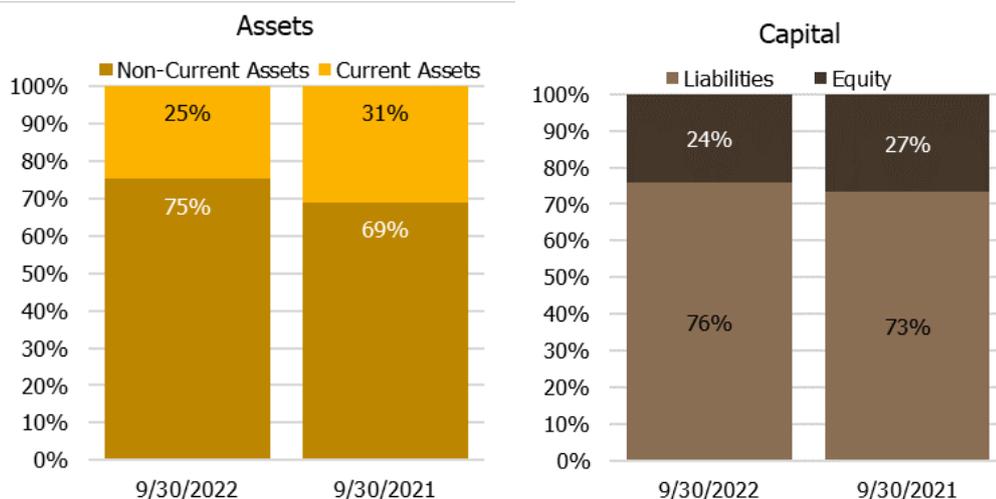
ROE = Net earnings for the trailing 12 months / Average equity

## BALANCE SHEET

As at 30.09.2022 consolidated total assets of PRFoods stood at 33,1 million euros. The year before i.e. as at 30.09.2021 the balance sheet totalled 56,0 million euros.

The Group's current assets stood at 8,2 million euros as at 30.09.2022 (30.09.2021: 17,4 million euros). Non-current assets totalled 24,9 million euros (30.09.2021: 38,6 million euros).

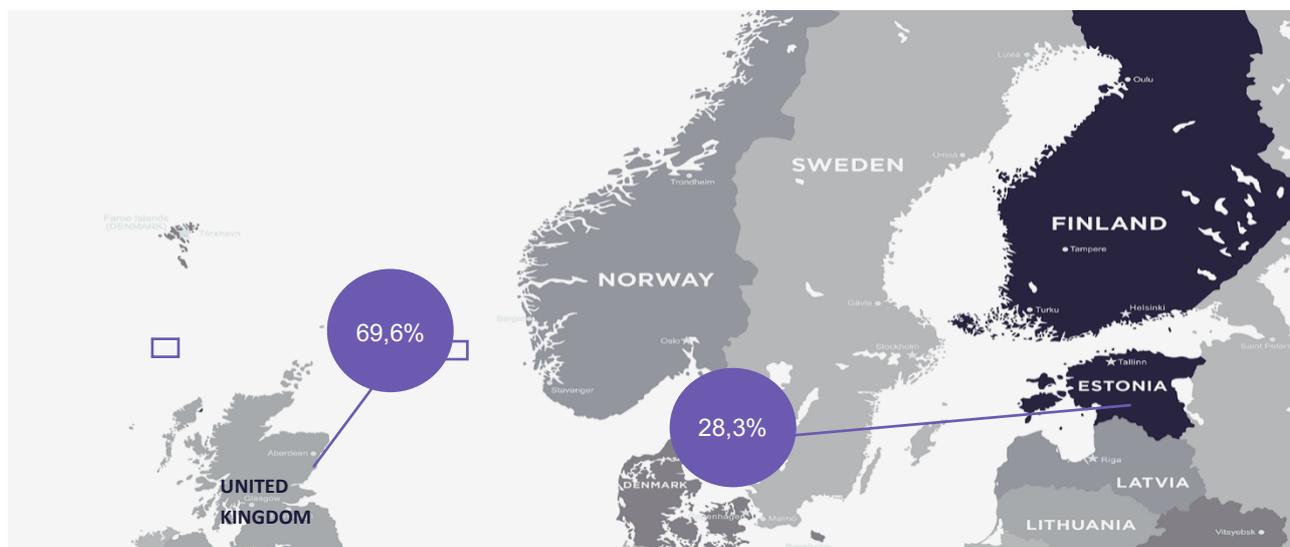
Current liabilities totalled 7,5 million euros as at 30.09.2022 (30.09.2021: 19,9 million euros). Non-current liabilities totalled 17,6 million euros (30.09.2021: 21,1 million euros). Equity of PRFoods was 8,0 million euros (30.09.2021: 14,9 million euros).



## REVENUE

The main products of the Group are salmon and rainbow trout goods. The Group is mainly known as a seller of smoked fish products in the UK and a seller of raw fish in Estonia as well as the biggest supplier of caviar to Estonian stores.

The Group's revenue during the first 3 months of the financial year 2022/2023 was 4,6 million euros, less by 9,6 million euros compared to the same period of the previous financial year, when the sales amounted to 14,2 million euros.



## GEOGRAPHIC SEGMENTS

mIn EUR	3m 22/23	Share, %	3m 21/22	Share, %	Change, mIn EUR	Change, %	Imp.
Finland	0	0%	9,3	65,1%	-9,3	-100%	▼
United Kingdom	3,2	69,6%	2,6	18,4%	0,6	18,8%	▲
Estonia	1,3	28,3%	1,2	8,7%	0,1	7,7%	▲
Other	0,1	2,2%	1,1	8,6%	-1,0	-1000%	▼
<b>Total</b>	<b>4,6</b>	<b>100%</b>	<b>14,2</b>	<b>100,0%</b>	<b>-9,6</b>	<b>-208,7%</b>	<b>▼</b>

The United Kingdom with sales revenue of 3,2 million euros and 69,6% of total sales is the largest market of the Group. Estonian market totalled 1,3 million euros. i.e. 28,3% of the total.

## FISH FARMING

The competitive advantage of the Group is its vertical integration – fish farming, production and sales. About two thirds of the raw trout used in the Group's production is harvested from the Group's own fish farms in the lakes in Sweden and in coastal area of Saaremaa, Estonia, ensuring that customers receive fast and high-quality deliveries.

Vertical integration enables the Group to reduce costs in certain phases of fish farming and to also enhance control foremost over fish processing and marketing. In the fish business, as fish are livestock, the quality assurance in the technological process has keenly to be maintained throughout the entire product lifecycle. In addition to improved cost control, the vertical integration enables to reduce risks in fish farming, for instance due to poor quality of feed or base materials, and to secure the volume required for processing as well as price stability of raw material.



## PRICE OF FISH

The fish production industry is extremely dependent on availability and the price of raw fish. Large producers make their production plans for three years in advance as it is difficult and expensive in shorter perspective to adapt a fish farm's production cycle to market needs. Therefore, the world market fish supply is relatively rigid in the short-term, while demand is somewhat shifting depending on the season. This imbalance in fish supply and demand results in constantly fluctuating price of raw fish. Moreover, the far-reaching change in supply chains during the past month in connection with the spread

of the virus has increased the amplitude and unpredictability of prices. The Group counters the impact of external environment and volatility of fish price through the changes of the Group's production and sales strategy.

### MARKET PRICE OF FISH

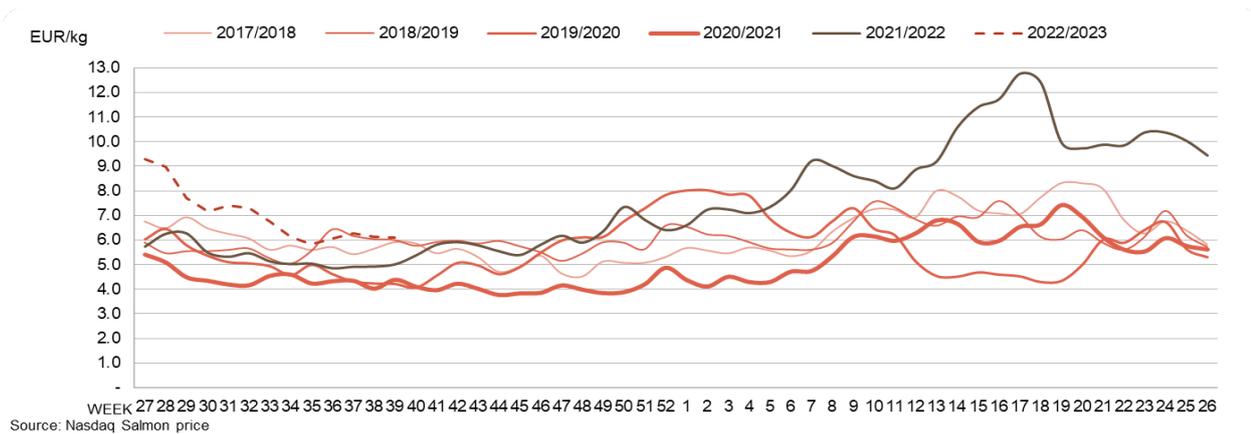
EUR/kg	30.09.2022	30.09.2021	30.09.22 vs 30.09.21	30.09.2020	30.09.22 vs 30.09.20	30.09.2019	30.09.22 vs 30.09.19
Salmon	6,10	5,02	21,51%	4,40	38,64%	4,22	44,55%
Rainbow trout	7,16	5,67	26,28%	4,05	76,79%	4,97	44,06%

As at the end of the reporting period the price of salmon has increased by 21,51% and the price of rainbow trout has increased by 26,28% compared to the prices a year ago. Over the two-year period the price of salmon has increased by 38,64% and the trout by 76,79%. The price of salmon has increased by 44,55% and of rainbow trout by 44,06% compared to the prices three years ago.

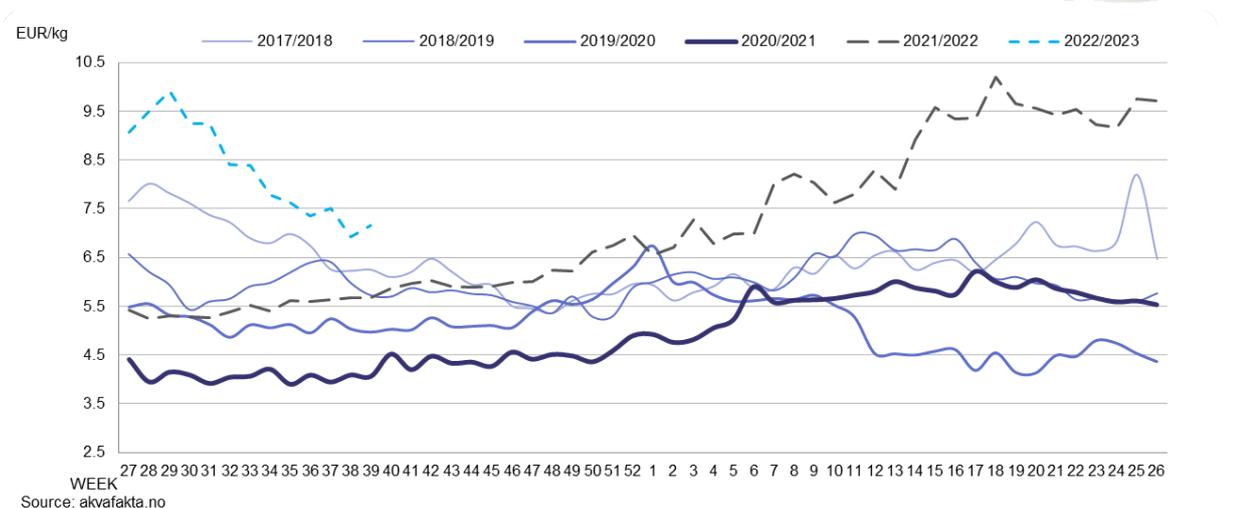
The graphs below illustrate weekly average prices of salmon and rainbow trout since the financial year 2017/2018.



### EXPORT PRICE OF NORWEGIAN SALMON



### EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



## AVERAGE MARKET PRICE OF FISH

EUR/kg	3m 2022/2023	3m 2021/2022	2022/2023 vs 2021/2022	3m 2020/2021	2022/2023 vs 2020/2021	3m 2019/2020	2022/2023 vs 2019/2020
Salmon	6,77	5,28	28,22%	4,47	51,45%	4,94	37,04%
Rainbow trout	8,30	5,46	52,01%	4,05	104,94%	5,15	61,17%

As at the end of the reporting period the average market prices of salmon and rainbow trout have increased by 28,22% and 52,01%, respectively compared to the prices of the same period in the previous financial year. Compared to the average prices of a comparable period two years ago the average prices of salmon and trout have increased by 51,45% and 104,94%, respectively. The average fish prices have increased compared to the prices three years ago: salmon by 37,04% and rainbow trout by 61,17%.

## BIOLOGICAL ASSETS

Biological assets are fish stock accounted for in PRFoods' fish farms in live weight, including rainbow trout (*Oncorhynchus mykiss*) and European whitefish (*Coregonus lavaretus*).

The Group uses the Norwegian export statistics (source: akvafakta.no) to assess the value of rainbow trout's stock. For assessing the value of whitefish stock, the monthly market price survey of the Finnish Fish Farmers' Association is used. When the price of raw fish increases or decreases, so does the value of fish harvested in fish farms of PRFoods, having either a positive or a negative impact on the Group's financial results.

## PRICE OF THE BIOMASS

	3m 22/23	3m 21/22	Change, tonnes 3m 22/23 vs 3m 21/22	Change, % 3m 22/23 vs 3m 21/22
Biological assets at the end of period, mln EUR	0,96	7,7	-6,74	-87,53%
Fair value adjustment of biological assets, mln EUR	-0,17	0,82	-0,99	-120,73%

The fair value of biological assets was 0,96 million euros compared to 7,7 million euros a year ago.

## MANAGEMENT AND SUPERVISORY BOARDS

The Management Board of AS PRFoods is composed of one member – Indrek Kasela – who as per the supervisory board's decision serves as the sole member of the management board since 02.02.2015. The management board is independent in its day-to-day management of the business, protects the best interests of all shareholders and thereby ensures the company's sustainable development in accordance with the set objectives and strategy. It is also responsible for the internal control and risk management processes in the company.

The Supervisory Board of AS PRFoods appoints management board members for a three-year term. The articles of association prescribe the management board to consist of one to four members. Indrek Kasela (born 1971), holds LL.M (Master of Laws) degree from the New York University (1996), BA degree in law from the University of Tartu (1994).

In addition to the management board member position of AS PRFoods, Mr Kasela serves as a member of management board in almost all the Group entities and also in non-Group entities (such as Lindermann, Birnbaum & Kasela OÜ, ManageTrade OÜ ja NBLJK OÜ, etc). He serves as a supervisory board member of AS Toode, ELKE Grupi AS, ELKO Grupa AS, EPhaG AS, Salva Kindlustuse AS, Ridge Capital AS, AS Ekspress Grupp, Elering AS, SA Avatud Eesti Fond, Tulundusühistu Tuleva, Eesti Avamere Vesiviljelejate Ühistu. Furthermore, he is involved in companies and NPOs, incl. domiciled abroad.

The Supervisory Board of AS PRFoods is comprised of six members. The board is chaired by Lauri Kustaa Äimä, members of the supervisory board are Aavo Kokk, Harvey Sawikin, Vesa Jaakko Karo, Arko Kadajane and Kuldar Leis.

The highest governing body of a public limited company is a general meeting of shareholders. General meetings of shareholders are either ordinary or extraordinary.

Pursuant to law, a supervisory board of a public limited company is a supervisory body responsible for planning the activities of a company, organising its management and supervising the activities of its management board. According to the Articles of Association of AS PRFoods, the supervisory board has three to seven members elected by the general meeting of shareholders for the term of three years.

Information on the education and careers of the members of the supervisory board as well as their management positions in other companies is available on PRFoods' website [www.prfoods.ee](http://www.prfoods.ee).

**PRFOODS' SHARES HELD BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS AND THE PERSONS/COMPANIES RELATED TO THEM AS AT 30.09.2022:**

Shareholder	Number of shares	Ownership interest
Member of the management board – Indrek Kasela	1.613.617	4.17%
Member of the supervisory board – Kuldar Leis	1.223.050	3.16%
Member of the supervisory board – Lauri Kustaa Äimä	125.000	0.32%
Member of the supervisory board – Vesa Jaakko Karo	9.000	0.23%
Member of the supervisory board – Arko Kadajane	8.928	0.02%
Member of the supervisory board – Harvey Sawikin	0	-
Member of the supervisory board – Aavo Kokk	0	-
<b>Total number of shares owned by the members of the supervisory and management boards</b>	<b>3.060.595</b>	<b>7.91%</b>

## SHARE AND SHAREHOLDERS

The registered share capital of the company is 7 736 572 euros which is divided to 38 682 860 ordinary shares without nominal value. All shares are freely transferable and of the same kind. i.e. have equal voting and dividend rights.

PRFoods shares are listed in the main list of Nasdaq Tallinn Stock Exchange since 5 May 2010. PRFoods shares do not have an official market maker. PRFoods share is a component in OMX Tallinn General Index.

PRFoods has twice reduced the nominal value of shares with making payments to shareholders: in 2012 by 10 euro cents and in 2015 by 30 euro cents. The general meeting of shareholders from 26 May 2016 resolved to adopt shares without nominal value and on 30 June 2016 the commercial registry registered the shares without nominal value. The accountable nominal value of a share is 0.20 euro (nominal value of a share was 10.0 Estonian kroons until 13 April 2011. 0.60 euro till 3 September 2012. and 0.50 euro till 2 October 2015).

### TRADING STATISTICS

Price (EUR)	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020
Open	0,348	0,340	0,359	0,376	0,425	0,380	0,370	0,374	0,418
High	0,350	0,370	0,435	0,385	0,428	0,428	0,388	0,390	0,420
Low	0,301	0,340	0,300	0,310	0,360	0,380	0,362	0,344	0,370
Last	0,31	0,348	0,349	0,360	0,376	0,425	0,382	0,370	0,372
Traded volume. mln	0,14	0,11	0,52	0,640	0,67	0,66	0,74	0,38	0,30
Number of trades	1065	1077	1994	2614	2 443	1 935	2 098	1 573	1 131
Average trade volume	129	98	263	245	274	340	355	244	267
Turnover. mln	0,05	0,04	0,19	0,23	0,26	0,26	0,28	0,14	0,12
Market capitalisation. mln	11,99	13,46	13,50	13,93	14,54	16,44	14,78	14,31	14,39

A total of 1 065 trades were conducted with PRFoods' shares during the third quarter of 2022. A total of 137 375 shares changed hands forming 0,4% of the company's shares. The average trade volume was 129 shares.

Turnover of share trading amounted to 0,05 million euros in 3Q 2022 and the highest share price in 3Q 2022 was 0,35 euros and the lowest was 0,301 euros.

The closing price of the share was 0,31 euro as at 30.09.2022 and the company's market capitalisation was 11,99 million euros.

### THE DYNAMICS OF THE SHARE PRICE AND INDICES FROM 5<sup>TH</sup> MAY 2010 TO 30<sup>ST</sup> OF SEPTEMBER 2022

Index / Share	Ticker / index	30.09.2022	05.05.2010	Change
● PRFoods share, EUR	PRF1T	0,376	0,890	-57,75%
● OMX Tallinn GI	OMXTGI	1 682,08	594,56	225,02%

## BOND AND BONDHOLDERS

PRFoods issued in the 2019/2020 financial year a total of 90,096 bonds in a private placement and 9,904 bonds in a public offering, with nominal value of 100 euros per bond, the interest rate of 6.25% p.a., and with maturity on 22.01.2025. According the terms of the bonds, the interest on the bonds is paid semi-annually (July and January). At the end of bond subscription period, PRFoods owned 4,926 bonds.

Following the completion of the public offering of the bonds, the bonds were listed on Tallinn Stock Exchange. Trading on Nasdaq Tallinn bond list started on 6 April 2020.

As of 30.06.2022, the number of bonds owned by PRFoods is 535 with a nominal value of 53,5 thousand euros.

In the 2020/2021 financial year, PRFoods issued 237 subordinated convertible bonds, with a total nominal value of up to 2,37 million euros, with a nominal value of 10 000 euros per subordinated convertible bond, with an interest rate of 7% per calendar year and a maturity date of 01.10.2025.

In addition, PRFoods announced an additional issue of secured bonds with up to 10,000 bonds with a nominal value of 100 euros per bond, maturity date of 22.01.2025 and 6.25% per calendar year.

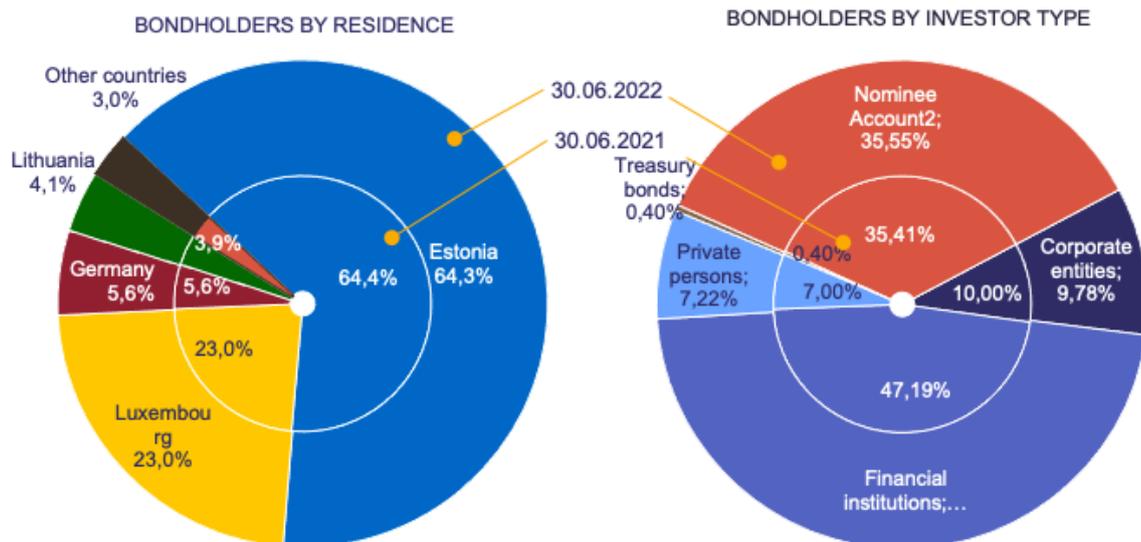
In addition, PRFoods announced an additional issue of secured bonds (issued in accordance with the terms of issue of PRFoods on 14.01.2020) in the amount of up to 1.0 million euros, with up to 10,000 bonds with a nominal value of 100 euros per bond, maturity date of 22.01.2025 and 6.25% per calendar year. The additional issue was a targeted placement of PRFoods shareholder Amber Trust II S.C.A to refinance the investment loan granted to PRFoods by the said shareholder in connection with the maturity of the loan.

As of 30.06.2022, PRFoods has issued 110,237 bonds, of which 110,000 are secured bonds with a nominal value of 100 euro per secured bond, with a total value of 11.0 million euros, and 237 are subordinated convertible bonds with a nominal value of 10,000 euro per subordinated convertible bond, with a total value of 2.37 million euros.

### BONDHOLDER STRUCTURE

#### SEVEN LARGEST BONDHOLDERS OF AS PRFOODS

	Value of bonds 30.09.2022	% of total 30.09.2022	Value of bonds 30.06.2022	% of total 30.06.2022	Change
Swedbank Pensionifond K60	3 940 000	29,5%	3 940 000	29,5%	-
ING Luxembourg S.A. AIF (Nominee account)	3 070 000	23,0%	3 070 000	23,0%	-
Swedbank Pensionifond K30	800 000	6,0%	800 000	6,0%	-
Rietumu Bankas JSC	750 000	5,6%	750 000	5,6%	-
Spring Capital Growth Fund 1	502 700	3,8%	502 700	3,8%	-
SEB Banks AS	505 300	3,4%	505 300	3,7%	-
Compensa Life Vienna Insurance Group SE	475 800	3,6%	475 800	3,6%	-
<b>TOTAL Largest bondholders</b>	<b>10 043 800</b>	<b>74,8%</b>	<b>10 043 800</b>	<b>75,0%</b>	<b>-</b>
Other bondholders	3 272 700	24,8%	3 272 700	24,6%	-
Own bonds	53 500	0,4%	53 500	0,4%	-



#### BONDHOLDERS BY VALUE OF BONDS. 30.09.2022

Value of bonds	Number of bondholders	% of bondholders	Value of bonds	% of bond value
1 ... 1 000	128	42,0%	70 600	0,5%
1 001 ... 10 000	100	32,8%	430 200	3,2%
10 001 ... 50 000	56	18,3%	1 256 900	9,4%
50 001 ... 100 000	9	3,0%	700 300	5,2%
100 001 ...	12	3,9%	10 912 000	81,6%
<b>Total</b>	<b>305</b>	<b>100,0%</b>	<b>13 370 000</b>	<b>100,0%</b>

# CONDENSED INTERIM ACCOUNTING REPORT

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# CONDENSED INTERIM ACCOUNTING REPORT

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000	Note	30.09.2022	30.09.2021	30.06.2022
<b>ASSETS</b>				
Cash and cash equivalents	2	345	748	110
Receivables and prepayments	3	4 811	3 231	2 567
Inventories	4	2 102	5 638	2 196
Biological assets		955	7 746	3 003
<b>Total current assets</b>		<b>8 213</b>	<b>17 363</b>	<b>7 876</b>
Deferred tax assets		-	38	93
Long-term financial investments		304	305	229
Tangible assets		7 169	14 897	8 882
Intangible assets		17 400	23 368	21 837
<b>Total non-current assets</b>		<b>24 873</b>	<b>38 608</b>	<b>31 041</b>
<b>TOTAL ASSETS</b>		<b>33 086</b>	<b>55 971</b>	<b>38 917</b>
<b>EQUITY AND LIABILITIES</b>				
Interest-bearing liabilities	5	3 562	6 521	7 094
Payables and prepayments	6	3 965	13 219	3 978
Government grants		-	207	0
<b>Total current liabilities</b>		<b>7 527</b>	<b>19 947</b>	<b>11 072</b>
Interest-bearing liabilities	5	15 592	18 411	17 725
Payables and prepayments	6	-	0	204
Deferred tax liabilities		1 644	1 996	1 599
Government grants		342	695	265
<b>Total non-current liabilities</b>		<b>17 578</b>	<b>21 102</b>	<b>19 792</b>
<b>TOTAL LIABILITIES</b>		<b>25 105</b>	<b>41 049</b>	<b>30 865</b>
Share capital		7 737	7 737	7 737
Share premium		14 007	14 007	14 007
Treasury shares		- 390	-390	-390
Statutory capital reserve		51	51	51
Currency translation differences		394	447	839
Retained profit (loss)		- 14 043	-7 641	-14 391
<b>Equity attributable to parent</b>		<b>7 756</b>	<b>14 211</b>	<b>7 853</b>
Non-controlling interest		224	711	199
<b>TOTAL EQUITY</b>	7	<b>7 980</b>	<b>14 922</b>	<b>8 052</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33 086</b>	<b>55 971</b>	<b>38 917</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

EUR '000	Note	3m 2022/2023	3m 2021/2022
Revenue		4 610	14 207
Cost of goods sold		-4 097	-13 433
<b>Gross profit</b>		<b>514</b>	<b>774</b>
<b>Operating expenses</b>		<b>-1 114</b>	<b>-2 309</b>
Selling and distribution expenses		-643	-1 581
Administrative expenses		-471	-728
Other income / expense		-47	51
Fair value adjustment on biological assets		-170	820
<b>Operating profit (loss)</b>		<b>-817</b>	<b>-664</b>
Financial income / expenses		1 692	16
<b>Profit (Loss) before tax</b>		<b>874</b>	<b>-648</b>
Income tax		-6	-92
<b>Net profit (loss) for the period</b>		<b>868</b>	<b>-740</b>
<b>Net profit (loss) attributable to:</b>			
Owners of the Parent Company		878	-918
Non-controlling interests		-8	178
<b>Total net profit (loss) for the period</b>		<b>869</b>	<b>-740</b>
<b>Other comprehensive income (loss) that may subsequently be classified to profit or loss:</b>			
Foreign currency translation differences		-445	-112
<b>Total comprehensive income (expense)</b>		<b>424</b>	<b>-852</b>
<b>Total comprehensive income (expense) attributable to:</b>			
Owners of the Parent Company		433	-842
Non-controlling interests		- 8	-10
<b>Total comprehensive income (expense) for the period</b>		<b>424</b>	<b>-852</b>
Profit (Loss) per share (EUR)	7	0,02	-0,02
Diluted profit (loss) per share (EUR)	7	0,02	-0,02

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR '000	Share capital	Share premium	Treasury shares	Statutory capital reserve	Unrealised currency differ.	Retained earnings (-loss)	Total	Non-contr. interests	Total equity
<b>Balance at 30.06.2020</b>	<b>7 737</b>	<b>14 007</b>	<b>-390</b>	<b>51</b>	<b>-366</b>	<b>-1 654</b>	<b>19 385</b>	<b>434</b>	<b>19 819</b>
Net profit (loss) for the year	0	0	0	0	0	-5 069	<b>-5 069</b>	-92	<b>-5 161</b>
Other comprehensive income (expense)	0	0	0	0	925	0	<b>925</b>	0	<b>925</b>
Total comprehensive income (expense) for the period	0	0	0	0	925	-5 069	<b>-4 144</b>	-92	<b>-4 236</b>
Other movement	0	0	0	0	0	0	<b>0</b>	191	<b>191</b>
<b>Balance at 30.06.2021</b>	<b>7 737</b>	<b>14 007</b>	<b>-390</b>	<b>51</b>	<b>559</b>	<b>-6 723</b>	<b>15 241</b>	<b>533</b>	<b>15 774</b>
Net profit (loss) for the year	0	0	0	0	0	-8 143	<b>-8 143</b>	-17	<b>-8 160</b>
Other comprehensive income (expense)	0	0	0	0	280	0	<b>280</b>	0	<b>280</b>
Total comprehensive income (expense) for the period	0	0	0	0	280	-8 143	<b>-7 863</b>	-17	<b>-7 880</b>
Other movement	0	0	0	0	0	477	<b>477</b>	-317	<b>160</b>
<b>Balance at 30.06.2022</b>	<b>7 737</b>	<b>14 007</b>	<b>-390</b>	<b>51</b>	<b>839</b>	<b>-14 391</b>	<b>7 853</b>	<b>199</b>	<b>8 052</b>
Net profit (loss) for the year	0	0	0	0	0	878	<b>878</b>	- 8	<b>869</b>
Other comprehensive income (expense)	0	0	0	0	- 445	0	<b>- 445</b>	0	<b>- 445</b>
Total comprehensive income (expense) for the period	0	0	0	0	- 445	878	<b>433</b>	- 8	<b>424</b>
Other movement	0	0	0	0	0	- 530	<b>- 530</b>	32	<b>- 498</b>
<b>Balance at 30.09.2022</b>	<b>7 737</b>	<b>14 007</b>	<b>-390</b>	<b>51</b>	<b>394</b>	<b>- 14 043</b>	<b>7 757</b>	<b>223</b>	<b>7 980</b>

Additional information in Note 7.

# NOTES TO THE INTERIM REPORT

## NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

AS PRFoods is a company incorporated in Estonia. The interim financial statements compiled as per 30.09.2022 incorporate results of AS PRFoods (hereinafter Parent Company) and companies directly and indirectly held by it: Saaremere Kala AS, Redstorm OÜ and Saare Kala Tootmine OÜ in Estonia, Överumans Fisk AB in Sweden and JRJ & PRF Ltd, John Ross Jr (Aberdeen) Ltd, Coln Valley Smokery Ltd in the United Kingdom (hereinafter also referred to as the Group). The Group has a stake in associate companies: Competence Center of Food and Fermentation Technologies AS and Avamere Kalakasvatus OÜ, JRJ & PRF Ltd, John Ross Jr (Aberdeen) Ltd, Coln Valley Smokery Ltd are consolidated from 01.07.2017 and Redstorm OÜ from 01.07.2018. AS PRFoods' shares are listed on Nasdaq Tallinn Stock Exchange since 5 May 2010 and the bonds since 6 April 2020.

The Group's consolidated audited annual report for the financial year that ended on 30 June 2022 is available on PRFoods' website [www.prfoods.ee](http://www.prfoods.ee).

## CONFIRMATION OF COMPLIANCE

The current unaudited consolidated interim report complies with the requirements of international accounting standards IAS 34 "Interim Financial Reporting" on condensed interim financial statements.

While preparing the interim report at hand, the same accounting principles as in the audited annual report for the financial year ended on 30.06.2022 were applied. The report does not hold all the information that shall be presented in a full annual report. It should thus be read together with the Group's audited consolidated annual report for the financial year that ended on 30.06.2022 compiled in accordance with the international finance reporting standards (IFRS) as adopted by the European Union.

In the opinion of the management, this interim report for the 3 months of the financial year 2022/2023 of AS PRFoods presents correctly and fairly the financial results of the Group as a going concern. The current interim report is neither audited nor reviewed by auditors in any other way and contains only the consolidated reports of the Group.

## BASIS OF PREPARATION

The functional currency is euro. The consolidated interim report is presented in thousands of euros and all numerical indicators have been rounded to the nearest thousand, if not indicated otherwise. In the report, thousand euros is indicated as EUR '000.

## NOTE 2. CASH AND CASH EQUIVALENTS

EUR '000	30.09.2022	30.06.2022
Cash on hand	0	1
Bank accounts	345	109
Total cash and cash equivalents	345	110

### NOTE 3. RECEIVABLES AND PREPAYMENTS

EUR '000	30.09.2022	30.06.2022
Trade receivables	1 757	2 115
Factoring receivables with regress	0	0
Other receivables	2 634	038
Prepaid expenses	318	233
Prepaid taxes	101	181
<b>Total receivables and prepayments</b>	<b>4 811</b>	<b>2 567</b>

Write-down on receivables was not recognised during the accounting period.

### NOTE 4. INVENTORIES

EUR '000	30.09.2022	30.06.2022
Raw materials and materials	632	907
Work-in-progress	720	454
Finished goods	479	534
Goods purchased for sale	270	301
<b>Total inventories</b>	<b>2 102</b>	<b>2 196</b>

### NOTE 5. INTEREST-BEARING LIABILITIES

EUR '000	30.09.2022	30.06.2022
Lease liabilities	188	421
Overdraft	1 063	4 544
Investment loans	1 202	1 418
Other loan	1 090	711
<b>Total short-term interest-bearing liabilities</b>	<b>3 562</b>	<b>7 094</b>
Finance lease liabilities	335	1 061
Listed bonds	12 988	12 960
Investment loans	2 269	3 704
Other loan	0	0
<b>Total long-term interest-bearing liabilities</b>	<b>15 592</b>	<b>17 725</b>
incl. payable within 1-5 years	15 592	17 725
incl. payable in more than 5 years	0	0

On 01 July 2021, John Ross Jr. (Aberdeen) Ltd entered into an agreement with Santander UK plc an investment loan of 1.5 million GBP (1,7 million euros) to finance the purchase of 15% non-controlling interests of JRJ&PRF Limited from Christopher Leigh and Victoria Leigh-Pearson to Saaremere Kala AS.

The amount of the investment loan is 1.5 million GBP (1.7 million euros) and the loan term is 01.07.2025. The loan interest rate is 3.5%. The loan is secured by a mortgage on a property of John Ross Jr (Aberdeen) Ltd.

On 04.01.2021, the fish farming company Redstorm OÜ entered into an investment and working capital loan with Maelu Arendamise Sihtasutus (the Rural Development Foundation) within the framework of the measure “COVID-19 loan for bio- and rural economy entrepreneurs”. The amount of the investment loan is 193 thousand euros and the amount of the working capital financing loan is 610 thousand euros, the maturity of the loans is 31.12.2026. The interest rate of the loan is 2.75% per annum until 31.12.2022 and 4.75% thereafter. The loan is secured by a mortgage and a commercial pledge on the assets of OÜ Redstorm and a guarantee from AS PRFoods in the amount of 0.5 million euros.

On 01.07.2021, Redstorm OÜ signed a short-term investment loan with the majority shareholder Lindermann, Birnbaum, Kasela OÜ in the amount of 0.27 million euros with an interest rate of 6.25% per calendar year.

## NOTE 6. PAYABLES AND PREPAYMENTS

EUR '000	30.09.2022	30.06.2022
Trade payables	2 788	2 082
Payables to employees	173	252
Other short-term liabilities	0	0
Interest payables	288	596
Other payables	525	675
Tax liabilities	190	373
<b>Total short-term payables and prepayments</b>	<b>3 965</b>	<b>3 978</b>

## NOTE 7. EQUITY

### SHARE CAPITAL

As at 30.09.2022 the Group had 38 682 860 shares (30.06.2022: 38 682 860), including 1 000 000 treasury shares (30.06.2021: 1 000 000 treasury shares).

#### Treasury shares

As of 01.07.2014, the Group initiated a buy-back programme of its own shares in accordance with the resolution of the general meeting of shareholders held on 29.05.2014, according to which up to 500,000 own shares were to be bought back until 31.05.2017. The initial buy-back programme was completed on 18.05.2016. The ordinary general meeting of shareholders held on 26.05.2016 adopted a resolution to expand the existing buy-back programme, according to which up to additional 500,000 own shares were to be bought back until 29.05.2019. On 14 June 2016, the Management Board of AS PRFoods entered into a service agreement with AS SEB Pank to continue the implementation of the buy-back programme of own shares. As at 30.06.2022 AS SEB Pank had acquired 1,000,000 shares of AS PRFoods in the name and on the account of the Group with average price of 0.4915 euros per share.

The buy-back programme was implemented in compliance with the resolutions of the general meetings of shareholders held on 29.05.2014 and 26.05.2016, and the Commission Regulation (EU) No. 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

### CAPITAL RESERVE AND RETAINED EARNINGS

The Estonian Commercial Code requires companies to create a capital reserve. Each year at least 1/20 of profit for the year has to be transferred to the capital reserve until the reserve amounts to 1/10 of share capital. The capital reserve may be used for covering losses and increasing the share capital but not for making distributions to shareholders.

## EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the shareholders by the average number of shares for the period.

	3m 2022/2023	3m 2021/2022
Net profit (loss) attributable to equity holders of the company. EUR '000	878	-7 643
Average number of shares. thousand	38 683	38 683
Earnings (Loss) per share. EUR	0,02	-0,21
Basic earnings (loss) per share. EUR	0,02	-0,21
Diluted earnings (loss) per share. EUR	0,02	-0,17

## NOTE 8. RELATED PARTY TRANSACTIONS

The Company considers parties to be related when one party has control over the other party or has significant influence over the business decision of the other party.

Related parties include:

- shareholders with significant influence (the largest shareholder of PRFoods is the international investment fund Amber Trust II S.C.A.)
- members of the Supervisory Board and members of all management boards of group entities
- close family members of the persons mentioned above and the companies related to them.

At the balance sheet date, there were no receivables from related parties. No write-downs on receivables from related parties have been recognised.

Party	Creditor	Payables and prepayments	Payables as at	Payables as at
			30.09.2022	30.06.2022
			EUR '000	EUR '000
Amber Trust II S.C.A.	Shareholder AS PRFoods	Investment loan	0	500
Lindermann, Birnbaum & Kasela OÜ	Liabilities	Investment loan	501	1 115
Indrek Kasela	Board member	Loan note	40	40
Amber Trust II S.C.A.	Shareholder AS PRFoods	Bond and interest of bond	2 680	2 680
Lindermann, Birnbaum & Kasela OÜ	Liabilities	Bond and interest of bond	98	98
<b>Total</b>			<b>3 319</b>	<b>4 433</b>

Benefits including employment taxes to members of the Management Boards and Supervisory Boards of AS PRFoods and its subsidiaries and other key members of management were as follows:

EUR '000	3m 2022/2023	3m 2021/2022
Short-term benefits	11	44
<b>Total</b>	<b>11</b>	<b>44</b>

The members of the management and supervisory boards are not entitled to any pension-related rights from the company. The members of the management boards are entitled to termination benefits.

## NOTE 9. ASSOCIATE COMPANIES

### Avamere Kalakasvatus OÜ (50% holding)

On 18.01.2019 Avamere Kalakasvatus OÜ was registered in the Estonian Commercial Registry. The company is an associate of AS PRFoods and it submitted an application to the Technical Regulatory Authority for the building right of the establishment of an offshore fish farming complex in the Estonian waters off the coast of Paldiski. The building right is to allow establishing a rainbow trout farming complex in the offshore cages.

### AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (20% holding)

Since 2010 the Group holds 20% in AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology).

## NOTE 10. SUBSIDIARIES

Subsidiary	Domicile	Ownership interest 30.09.2022	Ownership interest 30.06.2022	Area of activity	Owner
<b>Saaremere Kala AS</b>	Estonia	100%	100%	Fish group holding company	AS PRFoods
<b>Saare Kala Tootmine OÜ</b>	Estonia	100%	100%	Production of fish products	Saaremere Kala AS
<b>Överumans Fisk AB<sup>1</sup></b>	Sweden	0%	100%	Fish farming	Saaremere Kala AS
<b>JRJ &amp; PRF Limited</b>	Scotland	100%	85%	Fish group holding company	Saaremere Kala AS
<b>John Ross Jr. (Aberdeen) Limited</b>	Scotland	100%	100%	Production and sale of fish products	JRJ & PRF Limited
<b>Coln Valley Smokery Limited</b>	Great Britain	100%	100%	Production and sale of fish products	64% JRJ & PRF Limited 36% John Ross Jr. (Aberdeen) Limited
<b>Redstorm OÜ</b>	Estonia	51%	51%	Fish farming	Saaremere Kala AS

<sup>1</sup> Subsidiary sold in September 2022

The ownership percentage of subsidiaries' equity equals the voting rights. The shares of subsidiaries are not listed.

### Överumans Fisk AB

As of 20.09.2022, AS PRFoods transferred 100% of the shares of the subsidiary Saaremere Kala AS to Överumans Fisk AB to Vattudalens Fisk AB. The assets and liabilities of Överumans Fisk AB have been eliminated from the consolidated financial statement as of 30.09.2022.

### Sale price and terms of payment, difference between acquisition and sales price

The sale price of Överumans Fisk AB's shares was 7,425 thousand euros.

The sales price was agreed upon based on Överumans Fisk AB's financial results, net working capital and net debt as of 30.06.2022.

### The effect of the sale on the group's financial position

EUR'000	Note	2021/2022
Sales price of the shares		7 425
Net assets of the subsidiary at the sales moment		-2 423
Write-off of immaterial and materials assets from consolidated financial statements of parent company		-3 024
<b>Profit from sales of subsidiary</b>		<b>1 978</b>

The profit from the sale of the subsidiary is reflected in the Financial income/expenses line of the Consolidated Statement of Comprehensive Income.

## MANAGEMENT BOARD'S CONFIRMATION TO THE INTERIM REPORT

**The Management Board confirms the correctness and completeness of the consolidated condensed interim report for the 1<sup>st</sup> quarter and 3 months of the financial year 2022/2023 of AS PRFoods and its subsidiaries (together the Group) presented in the pages 7 – 28 hereof and confirms to the best of its knowledge that:**

- the activities report of the consolidated interim report presents adequate and fair overview of the development and results of business activities of the Group and the financial position thereof and includes the description of the main risk factors and uncertainties;
- the accounting principles applied in the preparation of the consolidated condensed interim accounting report are in compliance with the International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as adopted by the European Union;
- the consolidated interim report provides a true and fair overview of the assets, liabilities and financial position of the Group and of the results of its operations and its cash flows.



Indrek Kasela

Member of the Management Board

21 November 2022